### حكة المنالامل

World news

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### Chemical weapons debate adjourned listing

adors adjourned in Brussels without finally adopting a controversial recommendation that the US produce new chemical weap-

A Nato spokesman said he was only authorised to state that the dis-

cussion would continue.

Other sources said the meeting would resume today and the US plan was almost certain to be adopted, with Denmark, Norway and the Netherlands putting their reservations on the record.

### New governor

Bank of Portugal's new governor is Mr Carlios Alberto Tavares Moreira. He replace Mr Victor Constancio, who resigned recently to cam-paign for the leadership of the So-cialist Party.

### Sudanese Cabinet

Prime Minister Sadeq al-Mahdi announced a broad-based Government in which he took the key defence portfolio and gave parties AMSTERDAM bourse was buoyed from war-torn southern Sudan four ministries. Editorial comment. Page 18 CBS General index firmed 5.4 to

### **Anti-Bhutto move**

TOKYO: Stocks slipped as uncer-tainty over the years outlook re-mained. The Nikkei average eased Pakistan Government is taking controversial steps to strengthen its base in Parliament so that it can ef-19.06 to 15,924.69, Page 42 fectively resist calls for early general elections, issued in the past LONDON: Prices wilted afresh as months by Miss Benazir Bhutto, the market digested NatWest's cash call of the previous session. Gilts were lower. The FT Ordinary share

### Soviet offer

Soviet Union introduced a draft treaty limiting intermediate-range nuclear missiles at the Geneva arms talks, but at first sight it appeared to contain little new, said the White House. Page 4

### Seeking asylum

Eden Pastora, a former leader of Nicaragua's government-led San-dinista forces who turned rebel, is expected to turn his troops over to the International Red Cross and seek asylum in Costa Rica.

### Finnish warning

Finland's Government warned 42,000 state employees that it could use legislation to end their six-week-old strike

### **Botha defiant**

President P. W. Botha, faced with continuing rioting in South Africa's black townships, said his Govern-ment was determined to maintain order and had plenty of power in reserve to do so. Page 4

### Riot students die

Three students died and 18 policemen were injured in rioting at one of Jordan's three universities, in Irbid. Officials said it began over engineering tuition fees.

### Colombo alert

Sri Lanka's top security official warned that more bombings by Tamil separatists could be expected in Colombo and announced emergency anti-guerrilla measures.

New lira bill Italian Cabinet will discuss a draft bill to introduce a new currency worth 1,000 times the present lira.

### Arms sales shift

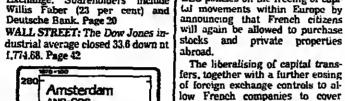
Britain and Italy dramatically increased arms sales to Third World countries in 1985 while the Soviet Union and France showed significant declines, according to a US congressional study.

### Reef reinforced

Qatar, locked in a territorial dispute with Bahrain, has reinforced the disputed Gulf reef of Fasht ad-Dibal with heavy artillery and rocket minicomputer group which was leunchers, Bahrain newspapers re-

### Business, summary Morgan Grenfell to seek

ain's largest and most successful merchant banks, is to seek a listing for its shares on the London Stock Exchange, Sbareholders include Willis Faber (23 per cent) and Deutsche Bank, Page 20



better-than-expected results m Royal Dutch/Shell. The ANP-

index fell 17.4 to 1,302.6 while the

FT-SE 100 lost 18.9 to 1,575.7.

DOLLAR rose in London to DM 2.1985 (DM 2.1850); SFr 1.8280 (SFr 1.8175); FFr 7.01 (FFr 6.9675) and Y163.60 (Y163.35). On Bank of England figures the dollar's exchange rate index rose from 113.7 to 113.8.

STERLING felt in London to close at \$1.5350 from \$1.5395. It rose to

DM 3,3750 (DM 3,3650); SFr 2,8050

(SFr 2.1975) and FFr 10.78 (FFr

10.7275), but fell to Y251.25 (Y251.50). The pound's exchange rate index rose to 76.1 (76.0). Page

GOLD fell \$0.50 on the London bul

lion market to close at \$342.25. It al-

so fell in Zurich to \$342.05 (\$342.30). In New York the June Comex settle-

CANADA: The Bank of Montreal

led the move to lower interest rates by cutting its prime rate to 10% per

cent from 10% per cent effective to-

US PRESIDENT Ronald Reagan

imposed quotas on EEC agricultural

imports in retaliation for restric-

tions on US farm exports to Spain

CREDIT LYONNAIS, second-large

est French bank, is planning a FFr 2.5bn (\$358m) sale of non-voting

shares to bolster its capital re-

CATHAY PACIFIC shares traded

heavily on their first day, account

ing for more than half the trading volume on the Hong Kong Stock Exchange. They closed at HK\$5.20 (US 66 cents). Page 23

BMW, West German car and motor-

cycle maker, expects static sales

and earnings this year because of sharpening competition in its home market. Sales in the first four

months rose 2.5 per cent to DM

FIRESTONE Tire and Rubber of

the US, after taking over direct con-trol of its Spanish affiliate, hopes to

bring its operations in Spain out of the red this year, according to Mr

Jerome Nunn, chief executive of

PERKIN-ELMER, US high-technol-

ogy group, posted a 14 per cent de-cline in fiscal third-quarter net

earnings citing, in part, losses at

Concurrent Computer, the super-

5.3bn (\$2.43bn). Page 21

Firestone Hispania

and Portugal Page 29

sources. Page 21

ment was \$343.40. Page 34

263.3. Page 42

Page 35

ANP-CBS

change risks, were among the main measures in a far reaching economic package announced by Mr Edouard Balladur, the Finance Minister. The package is aimed at conviccing the business and financial community that the Government is reversing the traditional centrally administered French economy in which credit, price and foreign ex-change controls have long played a key part. ft also hopes to provide a favourable climate for investment and job creation.

themselves against foreign ex-

FRANCE yesterday took a signifi-

cant step towards conforming with

EEC policies on the freeing of capi-

Other moves include discarding, from next January 1, France's centralised system of credit allocation. In future, the Bank of France will determine the availability of credit through its influence on interest rates during open market trading

In addition, new money market nstruments will be available to cor-

second largest UK intercontinental

airline, yesterday called for more

possible."
The substantial job losses

amount to almost 13 per cent of the

airline's 7.760 staff. Aircraft capaci-

ty on long-haul routes is to be cut

by 7 per cent and four UK regional

Without the cuts, the airline

would be heading for a substantial

loss this year after record BCal

group pre-tax profits of £21.7m (\$33m) in the year to October 1985.

BCal hopes staff will take volun-

tary severance and early retirement, at a cost of about 17m. The

airline has set June 10 as the dead-

The measures were "pre-emptive moves in the face of the severe eco-

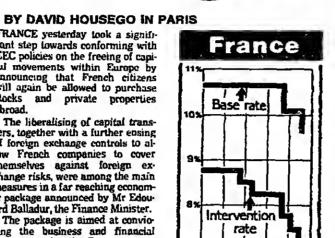
nomic downturn which the airline's

directors see emerging this sum-mer, Mr David Coltman, the BCal

line for staff to take the offer.

sales offices are to close.

BY LYNTON MCLAIN AND LIONEL BARBER IN LONDON



Paris eases curbs

on capital flows,

markets will be taken, including encouraging banks to compete in fixing deposit rates.

Mr Balladur announced that the FFr 50hn (\$7.1hn) rise in France's foreign exchange reserves since the March devaluation of the franc would enable the Government to prepay a further \$1.8bn of the EEC loan France contracted in 1983, in addition to the prepayment made last month.

He confirmed a 1.5 percentage porate treasurers and further steps point cut to 4.5 per cent in Interest towards deregulating the financial payable on popular tax-free savings

of more than 1,000 jobs

BRITISH Caledonian Airways, the a year. "If the economy measures sure are due to take delivery of a

The airline has already been hit

by a f0 per cent fall in passenger

bookings this year. The worst af-

fected area is the north Atlantic,

where bookings are 40 per cent

BCal services over the Atlantic are to be cut from 35 flights to 33

flights a week. Services to the Mid-

dle East, mainly Saudi Arabia, are

to he cut by one a week to 13 flights.

connection between yesterday's

proposed job cuts and the talks be-

ing held with International leisure.

the Intersun holidays and Air Eu-

rope charter airline group.

The talks centre on a possible op-

erational merger of the two compa-

ny's airline fleets, according to

several executives close to the

Mr Coltman said there was no

down compared with last year.

work, we will end the year with a large number of new airliners, strong balance sheet and continustarting in 1988. BCal has placed

about £85m.

accounts as part of a widespread lowering of French interest rates. These include a 0.50 per centage point reduction in banks' base lend-

ing rates to 9.60 per cent.
But the Government reduced by a smaller margin interest rates on subsidised loans to industry and local authorities - thus aligning them closer to market rates and cutting the cost of interest subsidies to the budget by several billion francs in a full year.

Ministry of Finance officials warned that the scope for further cuts in domestic interest rates was now limited as the cost of administering France's costly syslem of chequing accounts imposed a basic charge on hanks of about 7 per cent of what they raise in deposits.

Bankers yesterday were quick to point out that the measures still left in force a substantial battery of exchange controls - including restrictions on lending by banks to nonresidents, ceilings on investment abroad by companies and curbs on Frenchman openign foreign bank accounts or purchasing unlisted securities abroad.

It was also pointed out that the further development of the financial markets and the ending of credit allocation reinforces reforms already begun by the Socialists.

Continued on Page 20 Editorial comment, Page 18; Details, Page 24

### UK falls and output declines exchange controls BY GEORGE GRAHAM IN LONDON UNEMPLOYMENT in the UK con- quence of the rapid growth in its unit labour costs, which was also contributing to the UK's poor unemtinued to climb last month, and hopes of a reversal to its rise were dampened by the announcement of a fall in manufacturing output. Overall UK enemployment, with-Adult unemployment rose by onout seasonal adjustments and in-

ly 3,000 to 3.2m after seasonal ad-cluding school-leavers, rose last justments, much less than the previous month's sharp 33,000 in-crease, but the Department of Employment said yesterday that the past few months clearly indicated an upwards trend.

Additional figures published yes-terday by the Department of Employment showed that British labour costs per unit of output were rising faster than those of other major industrial nations. Manufacturing output in the first quarter fell by f per cent from the previous quarter, leaving companies to bear the full impact of wages rising at an underlying rate of 112 per cent a year without any offsetting productivity gains.

Labour costs per unit of output in March stood 8.3 per cent higher than a year earlier, whereas West German and Japanese unit labour costs are hardly increasing.

The figures contributed to a further decline in the London stock market, already wilting under the weight of National Westminster Bank's massive rights issue, announced the previous day. Some stockbrokers revised their company profit forecasts downwards, and the FT Ordinary share index fell back 17.4 to end at 1302.6.

Today's announcement of the April retail price index is expected to show a further substantial fall in inflation to less than 3% per cent a BCal calls for early loss year, but the rising trend of unemployment and the worrying level of increase in unit labour costs belped lo moderate the market's enthu-

Some analysts have been predicting a balf percentage point cut in bank base rates today, but although money market interest rates are already below the current 10.5 per cent base rate, more caution was felt yesterday over whether the Government would encourage a fur-

than 1,000 staff to go "as soon as ing profitability in a bad year," be firm orders to buy seven A 220 Air-possible."

ing profitability in a bad year," be firm orders to buy seven A 220 Air-possible."

bus airliners worth £160m to Mr Nigel Lawson, the Chancellor of the Exchequer, said in the House -170m. Air Europe is to buy four of Commons yesterday that interest rates should be brought down "as new Boeing 737-300 aircraft for much and as soon as it is prudent to One option uoder discussico is to do so," but he pointed out that there form a joint venture to belp fill bad already been a 2 percentage seats on the aircraft. Some BCal executives argue that an operational merger could make sense. point reduction in rates since the hudget in March, and that families were benefiting from cuts in the Senior BCal executives said yesmortgage (home loan) rate worth terday there was no question of a an average of £3.60 (\$5.52) a week. full-scale financial merger with in-ternational Leisure, chaired by Mr In Whiteball, officials warned that the UK's high level of real in-

terest rates was partly a conse-

aduit unemployment has been rising by around 14,000 a month over the past six months, following a period during which it appeared to have flattened.

mooth by 1,000 ot f.33m. A 27,000

fall in the unadjusted level of adult

unemployment was cancelled out

hy the addition, a month earlier than last year, of 28,000 Easter

Seasonally adjusted, the level of

male unemployment fell by 4,000 last month while female unemploy-

ment increased by 7.000. Overall,

school-leavers.

Recent changes in the way the Government measures unemploy-ment bave reduced the "headline total" by around 50,000. The Unemployment Unit, a research and pressure group, says that the cumulative effect of this and other alterations to the unemplyment statistic s is to reduce the published figure by

The oumber of employees in employment in manufacturing industries fell by 3,000 in March to 5.39m, continuing the downward trend in employment in this sector since

Average earnings rose in month by 8.6 per cent, but the Department of Employment said the underlying rate of increase continued at 7% per cent a year. The March figure was bigher mainly because of a large amount of backpay paid to teachers after the settlement of their dispute.

Lord Young, the Employment Secretary, said yesterday: "The trend of unemployment is still up-wards. The best hope of a lesting improvement on the jobs front is a much more widespread realisation that pay is a crucial component of production costs." But Mr John Edmonds, geoeral

secretary of the General Municipal, Boilermakers and Allied Trades Union said: "It is a national dis grace that such appalling figures are totally ignored by the Government. The unemployment level has nearly tripled in the six years since Mrs Thatcher became Prime Minis-Sterling remained steady on the

foreign exchanges, closing nearly balf a cent lower against the dollar at \$1.535 and 1 pfennig higher against the D-Mark at 3.375. The Bank of England's exchange rate index rose 0.1 to 76.f.

Details, Page 6

### Employment in Chernobyl death toll likely to rise, says **US** doctor

By Patrick Cockburn in Moscow

SERIOUS radiation injuries caused by the Chernobyl nuclear reactor lisaster have already caused seven deaths and further fatablies are unavoidable, a US bonc marrow specialist helping to treat the victims warned in Moscow yesterday.

Dr Robert Gale, who works for the University of California, told a press conference that the seven had been among 35 people who were seriously irradiated as a result of the accident. Bone marrow transplants have been carried out on 19 patients by American and Soviet doctors.

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lear of ful, and co-

Another two men were killed in the first explosion at Chernooyl on 26 April and 299 people are in hospital in Moscow suifering from the effects of radiation.

Dr Gale said the difficulty experienced in treating only 200 radiation casualties "decrionstrates our limited ability to respond to a nuclear accident. The types of radiation in juries suffered at Chernobyl are diverse. Some of those now in bosnital inhaled radioactive gases with a

very short life which are now impossible to identify. Almost everybody affected by the reactor at Chernobyl seems to have suffered their injuries on 26 April. Dr Andrei Voropyov, who led the Soviet team treating casualties, said that "firemen were among

those who suffered worst" but they knew "what kind of fire they were dealing with." People in charge of the power station also suffered heavy doses of radiation. Dr Gale added that medical doctors and fire men knowingly exposed themselves to considerable risks. Dr Gale, who arrived in Moscow

on May through the agency of Dr Armand Hammer, the head of Oc-cidental Petroleum Corporation, said there was very little chance of anybody outside the immediate area of the power plant suffering from acute radiation sickness. He said be bas asked the Soviet authorities to be allowed to visit the Chernobyl area in company with Soviet doctors.

Dr Voronyov also said it was very unlikely that people over a wide area around Chernobyl would have received serious injuries. He said there bad been thorough tests on people living in the settlement of Pripyat, close by the plant. Examinations of their clothes and thyroids showed that the maximum radiation dose was 50 rad. "Less than half that which causes disease." Asked about a woman and her son in Gome!, a city in Byelorussia

Continued on Page 20 Details and analysis, Page 3; Feature, Page 18

### managing director said yesterday. The immediate aim is to save £30m Continued on Page 20 Both BCal and International Lei-

BY CLARE PEARSON IN LONDON

not be affected by the issue.

Mr Murdoch said in a press statehands of international investors.

terms are to be set on May 22.

While an increasing number of equity issues have been placed doch to strengthen the company's through Euromarkets channels, equity base. rather than floated on stock ex-

changes in recent months, prefer ence share issues remain unusual Earlier this year, Jardine Matheson, the Hong Koog trading group, used a similar formula to dispose of part of its large holding in Hong

Harry Goodman. BCal said its own

net worth was between £130m and

£150m, including aircraft sales

whereas International Leisure's

market capitalisation was only

The BCal service to Libya was

suspended after the US bombing of

the country last month. Within 15

Co-lead managers with CSFB are Deutsche Bank and Swiss Bank Corporation, emphasising strong

project, met so far from the sale of bigh-yielding "junk hanks" in New York, bave put pressure on Mr Mur-

Lex, Page 20

ment that the excellent terms obtained by the issue "highlight Reuters' impressive achievements and anneipated future profits growth." Placement of the preference shares through the Euromarkets would mean that a larger number of Reuters sbares would eod up in the Reuters said the issua's terms were a "compliment" to the compa-

placing power with Continental in-News Corporation, whose UK newspaper titles include the Sun vided entirely out of News Corpora and The Times, is currently en-tion's holding, will be available to gaged in ambitious plans to estab-purchasers of the News preference is a fourth US television network

### Murdoch plans novel \$200m issue

NEWS CORPORATION, the Aus-

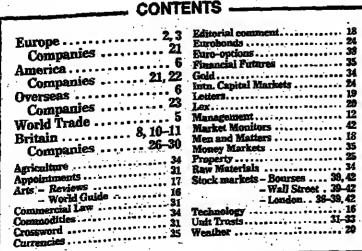
tralian master company of Mr Ru-pert Murdoch's worldwida newspaper and broadcasting group, yester-day announced plans for a novel \$200m Euromarket issue that will both strengthen its equity base and dispose at a high profit of much of its holding in Reuters, the UK information and newsagency group.
The issue, lead-managed by Credit Suisse First Boston, offers inves-

tors 200,000 preference sbares exchangeable into 'R' ordinary shares of Reuters Holdings after 90 days. News Corporation said the issue would be used, in part, to eplace existing high-cost preferred shares, and added that the \$200m proceds were almost three times the \$68m valuation on the group's 9.5 per cent bolding of Reuters' B' shares when the group went public in June 1984. News Corporation's 9.5 per cent holding of Reuters 'A' shares will

The Reuters shares, to be propremium. The preference sbares dia broadcasting group. US analysts will pay an annual dividend of 5 per believe the financing needs of this cent during their 15-year life. Final

shares after 90 days at a 15 per cent on the basis of the former Metrome-

### spun off as a separate company late last year. Page 21



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IAEA: making most of the Chernobyl: new sense of oblilimelight ...... 3 gation ...... 18 India: magnates fall out over Argentina: Viedma, a capital

government machinery .. 19 Technology: material chan- Lex: BP/Shell; Morgan Gren-

Editorial comment: French Belgium: why public services economy; Afghanistan ... 18 face strike action ...... 20 Drivers Jonas expand in Scotland

*150* West George Street Glasgow G2 2HG Contact: Derek Anderson

Chartered Surveyors & Planning Consultants Telephone: 041-332 5606 and at 10 Albyn Terrace, Aberdeen

### Four countries on verge of helicopter deal

BY JAMES BUXTON IN ROME

lands and Spain are expected to sign an agreement shortly on the development of a light attack helicopter to be called Tonal, based on the Italian Agusta Mongoose.

The project would strengthen ties between Agusta and Westland of Britain which became strained last winter during the battle to rescue Westland.

Britain and Italy will each provide 38 per cent of an of developing the Mongoose tn initial feasibility study. The meet the Britisb army needs in Netherlands will pay 19 per the 1990s. Shortly afterwards cent and Spain 5 per cent. the Netherlands became inter-

costs would be-The agreement, which should be signed in the next few weeks. will cover pre-feasibility and pre-definition studies. If the

project went ahead, series pro-

duction would not begin until

well into the 1990s. The origin of the Tonal project lies in a Government-sponsored agreement last spring between Westland and Agusta to study the possibility of developing the Mongoose to meet the British army needs in

belicopter available in three customers are proceeding. versions: Scout, anti-tank, and that Britain might be interested in buying 200 aircraft of different versions and the Netherlands 60. The Italian armed

forces may also buy the Tonal. An agreement to proceed with detailed studies will be an important boost for Agusta which developed the Mongoose nn its own and has so far sold it in only modest numbers. Sixty have been ordered by the Italian army, though negotia-

BRITAIN, Italy, the Nether- say what total development. The intention is to develop a tions with other potential ment lapsed when the bid for a

air-to-air attack. Agusta believes disappointment when France included Agusta and French 1984 to collaborate in designing their own anti-tank belicopter, the PAH-2, although this project appears to be in doubt and Fiat of Italy. as the story below makes clear.

Last November Mr Michael Heseltine, then Britain's Defence Secretary, secured an agreement from France, West Germany, Italy and Britain that could bave led to a merging of

Agusta suffered a serious European consortium - which and West Germany decided in and West German aerospace

> While the Westland affair raged, work on the Anglo-Italian studies of the Tonal came to a halt. But it resumed soon after. Westland and Agusta are Westland and Agusta are already collaborating on the EH-101 naval and utility

### Fate of Franco-German project hangs in balance

west germany and france may be about to abandon efforts to build an anti-tank and combat helicopter for deployment in the 1990s. The fate of the project, which has been hedevilled by rising costs, rows over equipment and specifications, and indecisive management is

New hands take the helm in Yugoslavia

vice premiers.
The only significant additions

are Mr Milos Milosavljevic from Serbia, who will be the other

vice premier, the third vice pre-miership having been abolished,

and Mr Tozar Rikanovic, a

former banker and also from

Serbia, who will be finance minister. The only structural

hange is the establishment of

Hnwever, the cabinet change

coincides precisely with the end today of six and a half years of International Monetary Fund

YUGOSLAVIA TODAY gets a been one of Mrs Planinc's three

The government passes from two federal committees for he hands of Mrs Milka Planinc. science and technology and for

interior ministers, and Mr Janez supervision of the economy Zamilaric a Slovene who has through successive standby

tourism.

new Prime Minister, Mr Branko

Mikulic, a Croat from the re-

public nf Bosnia, and a new state President, Mr Sinan

Hasani, an ethnic Albanian,

under its elaborate political rotation system bequeathed by

Tito to avoid overt power struggles in this ethnically

the hands of Mrs Milka Planinc.

But its make-up will not differ greatly under Mr Mikulic, who

will serve for the fixed four-year term. He will retain the

existing foreign, defence and

varied country.

equipment and specifications, and indecisive management, is likely to be decided before the Bundestag takes its summer break at the end of June.

Official displeasure at the Bolkow-Blohm (MBB), frictions slow progress of the project and project between it and the Francisco slow progress of the project and project and project and project between it and the Francisco slow progress of the project and p Communications between the builders and the ministries has ally to build one basic helialso never been good, say offi-cials, with many nf the detays being caused by government, notably the nne in Bonn, imslow progress of the project, arose between it and the French known in West Germany as the partner, Aerospatiale.

PAH-2, and as HAP and HAC MBB quickly pleaded for, and in its two intended versions far obtained, a joint group, Eurothe French, surfaced this week copter, to lead the project. The

posing spending ceilings on various aspects of the project. Bonn made DM 978m (£291m) vailable in 1983 for developafter a first visit bere by the senior civil servant in the Denew French Defence minister, fence Ministry in Bonn, Dr. Mr Andre Giraud.

He has apparently suggested that the two nations' armaments that these changes in manage-

guarantee for Yugoslavia's offi-cial and commercial crediturs

which bave agreed to reschedule

premiership with a reputation as a tough and able interven-

tionist in Bosnia, is to outline his policy in an address later

today to the newly elected par-liament. But a hint of change

came this week from Mr Boris Srebric, the outgoing vice pre-mier in charge of the economy, who said that Yugoslavia will

now finally be able to pursue a

proper anti-inflationary policy. Mr Srebric's clear implica-

Mr Mikulic, who comes to the

debt repayments until 1988,

arrangements. The IMF's future tion was that the IMF laissez-role will be the indirect one of faire approach to inflation— "enhanced monitoring" as a regarding it as a symptom, not

DM 1.2bn and DM 4bn respectively. As things stand, the PAH-2, which might have gone into service this year, is scheduled to go into production in 1995, three years later than

the date formally agreed between Bonn and Paris in 1984. to national needs, but there have been further rows over whether to use a US designed and produced night-sight, as the West Germans wanted to do to save time and money, or, as the French began to Insist after the formal agreement was signed, to

a root cause, of Yugoslavia's economic ills—bad prevented

the Government hithertn from slapping on administrative price

Another worry from Mr Mikulic is that the growth of

industrial output, which in the first four months of this year

was 6.1 per cent above the level

a year earlier, is perhaps los-ing steam, while exports dived

costs of around DM 3.6bn. These The night-sight debate still estimates have since risen to rages, it is understood.

DM 1 2bn and DM 4bn respecti

The Bundestag defence and budget committees in Bonn are growing increasingly wary of approving any mnre money for the PAH-2. Updated cost estimates wer expected by the end of last month but details of these are not available. These costings will bave to be provisional anyway hecanse detailed specifications for a number of specifications for a number of subsystems, and the engines, are not due before the end of September.

Mr Giraud and his West German counterpart, Mr Manfred Woerner, are scheduled to meet again next month and they could well announce then that the project bas been abandoned, formal agreement was signed, to at least as a joint venture, nr develop a European competitor. drastically reduced in scope.

controls. Last month, prices stood 84.8 per cent higher than in April 1985, with retail prices standing 8.5 per cent higher than in March and 30.6 per cent higher than last December,

### Pressure forces Finns to devalue markka 2%

BANK OF FINLAND yesterday devalued the markka by 2 per cent Bank of Finland tried in squash valued the markka by 2 per cent within the central bank's own "currency snake." At the same time the bank parliamentary supervisory board decided to lower the base rate from 8 to 7 per cent from Mon-

The markka has been under strong pressure ever since last weekend when Norway devalued the krone by 12 per cent. Finland was regarded as in a danger zone, and her trade with the Soviet Union is coming down rapidly.

On the other hand, the central

bank's currency reserves have also decreased. Finland's inflation is slightly higher than that of her

Outflow of currency, which the forward premium came down by I ready sunk drastically in the face of per cent, which indicated a calsi at high real misrest rates.

main trading partners.

Bank of Finland tried to squash sure Lethi must political parties in rumours of a pending devaluation dustry and labour unions. Finland's by raising the call money rate on Government had already linked the two successive days a total of 48 pending adverso already in the new per cent to 16 per cent.

was very difficult.
The industry has also vigora central bank refuses to specify. The industry has also vigorously dwindled yesterday. One commer inged lower interest rates to give a cial banker said that the markin's boost to investment which has al-

Bank of Finland calls the change. Rolf Kullberg, has steadfastly rein the exchange rate an adjust fused to bring the base rate down ment, not a devaluation. The mark despite low inflation and molest Governor of the central ha ki is now at the upper end of the source cettlements. The decision by snake with an index figure of 105.

The decision to lower the base policy of extreme caution.

### Libyan expelled by Italy

ITALY's Ministry of the Interior has asked a Libyan businessman to leave the country, after refusing to grant him an extension of his temporary resident's permit.

The man, Ibrahim Moheddin, is a consultant to the Libyan Arab Foreign Investment Company (Latico). He is on the board of Editar, a printing and publishing company controlled by Latico, and has been in Italy since September 1985.

The expulsion comes amid mounting exasperation in Italy at successive actions by Colonel Mu-ammer Gadaffi which Rome regards as increasingly provocative.

On April 15, after the US bombing of Tripoli, Libya fired two missiles at Lampedusa, an Italian is-land which is the closest part of Italian territory to Libya. The missiles exploded just short of their target in the sea.

Last weekend Col Gadaffi responded to the Tokyo summit dec laration on terrorism, which singled out Libya, by saying that Italy was a target for Libyan military attacks. Earlier this week, Libya reacted to the expulsion in late April of 10 Libyan diplomats by expelling 25 of Italy's diplomatic personnel from

### Oslo Labour Government gains qualified support

BY FAY GJESTER IN OSLO

A DEBATE in Norway's Storting the Progress Party was 'so totally (Parliament) yesterday indicated different from Cestre in its politicist the new minority Labour government is succeeding in its bid to win support from the two famior partners in the recently defeated. While Cantre and Christian Conservative led coalition — a Democrat speakers indicated that strategy which could keep it in of the new Labour Government fice for quite a while despite its should be given a chance if if our

The Storting debate, on the Government's policy declaration, showed a clear split between these two middle of the road parties – the Christian Democrats and the Centre (Farmers) Party; and the larger. more right-wing Conservative

The Conservatives insisted that when Labour goes it must be replaced by a government with a ma-jority in the Storting. This means some kind of deal with the maver-500,000 public sector employees ck, far-right Progress Party, which holds the balance of power in the 157-member legislature, and whose two MPs helped to deleat the coali-

tion earlier this month. But the Centre and Christian Democrat parties refuse to enter into any bargain with the Progress Party, regarding it as politically un-touchable.

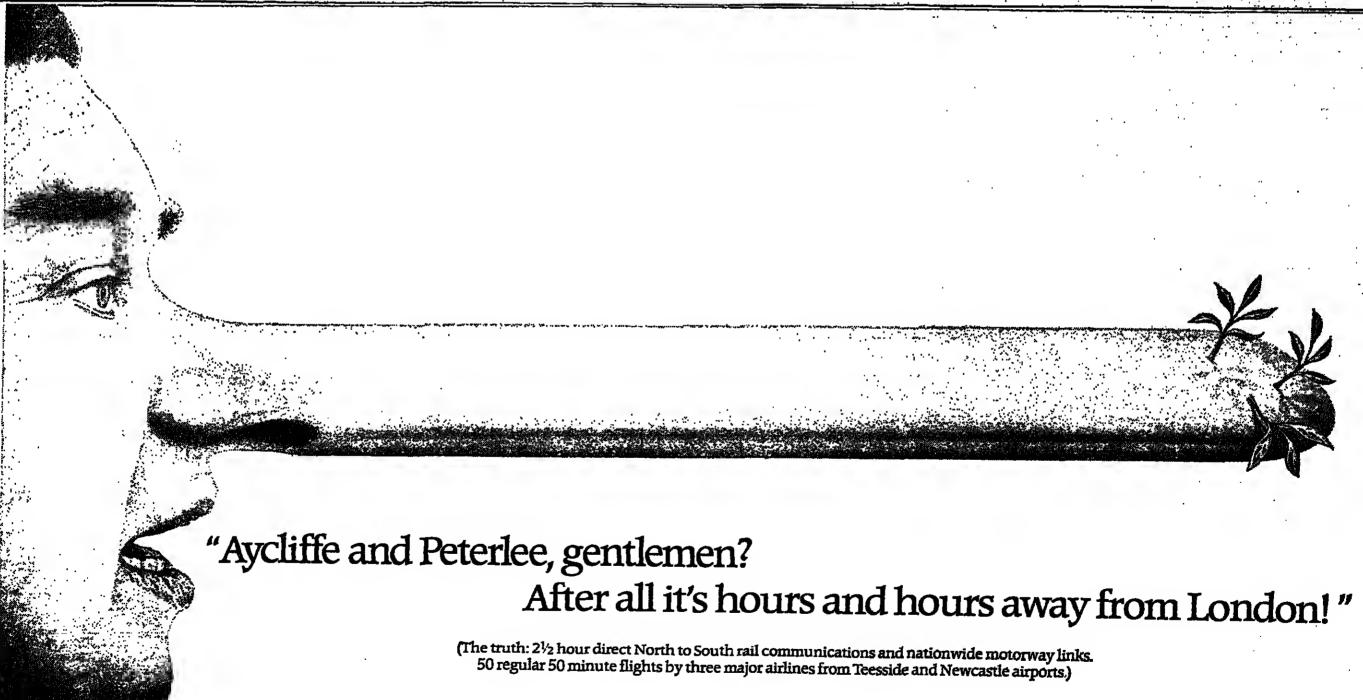
The Centre Party parliamentary leader, Mr Johan Buttedahl, said yesterday that his party was prepared to participate in a new, mi-nority non-Socialist condition. But

strategy which could keep it in of the new Labour Government fice for quite a while, despite its should be given a chance, if if par lack of a parliamentary majority. sued acceptable policies, Mr Jan Syse, Conservative parliamentary leader, suggested that Labour could be outled by the autumn?— "the time

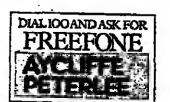
of year when most fruits ripen. Labour speakers adopted a conciliatory line towards the centrist parties and Prime Minister Mrs Gro Hariem Brundtland said during the afternoon recess that she was very satisfied indeed with

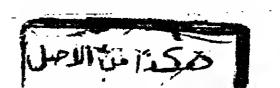
500,000 public sector employees - including teachers - have threat ened to start a series of limited local strikes from next Thursday, after the breakdown of talks with their employers in central and local government. The unions withdrew from voluntary bargaining after re-jecting revised pay and conditions agreements offered to them by the Labour Government.

The strikes, which will gradually be escalated to include increasing numbers of employees, will initially



The truth is, there are endless excuses for ignoring the cost-saving advantages of the North East's premier Development Corporation, but the truth speaks for itself. Find out by speaking to Keith Summerbell on Freefone Aycliffe and Peterlee.





### **Poehl** hints at moves to defend dollar

THE West German central bank president, Mr Karl Otto Poehl, said yesterday that a period of currency market stability was urgently needed after recent volatility and co-ordinated intervention to this end could some times be useful, Renter reports from Frankfurt.

THE ACCIDENT at the Chernoly nuclear power plant has we notive the International Atomic sy Energy Agency in the limelight if and brought calls for tighter protection and brought calls for tighter protection.

Hamburg that convergence of economic policles among major industrial nations could help to prevent wild swings in currency in the course of th

the market in recent weeks after the dollar dropped below DM 2.20, a level seen as critical to the competitiveness of the nation's exports.

The Bank of Japan bought \$300m or \$400m on exchanges early yesterday in an attempt to prevent the yen rising further in value against it. But the Bundesbank was absent and the

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Bundesbank was absent and the dollar was officially fixed lower at DM 2.1897.

Mr Poehl rejected calls for setting specific levels for currencies which should then be defended by intervention in markets by individual countries, serving that would not work. saying they would not work.
US authorities have been

among the main advocates of moving further towards a semifixed system of exchange rates. But Mr Poehl said discussion about automatic currency mech-anisms missed the main question of which country would adjust its economic policies. "It is not difficult to recognise, is not difficult to recognise, even without objective indicators, that the greatest danger to the stability of the international currency system is represented by the US current account deficits," he said.

The warning of possible intervention to defend the dollar gave slight renewed heart to dollar haves on the explanees.

dollar buyers on the exchanges yesterday, but the central bank president also signalled that West German official interest rates would not be cut in the

near future.

The weakness of the mark in the European Monetary System (EMS) would probably only be temporary after the recent full

realignment. Mr Poehl said.

"But so long as it remains,
West German interest rate cuts
can obvinusly be ruled out."

The mark has been near the
bottom of the eight-currency
EMS grid since the realignment
on April 6, requiring the Bank
of France, whose currency has
been near the top, to sell francs
and buy marks in a defence of
newly-set relationships.

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Agency seeks wider role, says Patrick Blum

### IAEA makes the most of the limelight

THE ACCIDENT at the Cher- Non-Proliferation Treaty-"The the IAEA last week regular

The sudden worldwide interest is not entirely unwelcome at the LAEA's Vienna headquarters, Dr Hans Blix, the director-general,

The safeguards system only

relationships. "But co-ordinated intervention by ceotral banks can also sometimes be useful to work against too strong a decline in the dollar." he said.

The remarks by Mr Poebl, the first by a senior West German monetary official since the month, were released in Frankfurt by the Bundesbank.

It was primarily action hy the Bundesbank that halted the dollar's rise just below DM 3.50 in late February last year. levels not seen for 13½ years. The West German central bank bas only ventured occasionally into the market in recent weeks after the dollar dropped below DM 2.20. a level seen as critical released on provides advice and assistance only on the promote the peaceful use of nuclear energy, it has no policing functions and provides advice and assistance only on advice and assistance only on request.

"We are not a supervisory body that can go to nuclear plants, examine and criticise them. We are not responsible for safety. That is the husiness of the member states. So I can see no failure (of the agency) from that point of view," he said in an interview this week.
On request, IAEA staff visit plants and give advice on improving safety. This is done mostly out of the public eye as governments are not eager to have shortcomings in their nuclear reactors broadcast to

Despite this secretiveness, IAEA officials insist that they provide g valuable service and that their advice is generally heeded. On some occasions we bave suggested that a reactor or part of a facility be temporarily closed so that improvements can be made, and our recommendations have here

world's first on-site inspection radiation readings from Soviet system," says Dr Bliz. Some monitoring stations are now 180 inspectors visit nuclear power installations to verify Soviet Union has also declared that nuclear materials are not diverted for military purposes, early warning mechanism This builds confidence, he says, designed to detect radiation

The safeguards system only applies to countries willing to adhere to it. Several states with potential nuctear military capa-bility, such as israel, Pakistan, India and South Africo, bave

Correction

The chart on Page 2 of yesterday's Financial Times stated that the highest figure measured for alrhorne radiation in Europe was 4.5 milli-sieverts in northeast Poland. This should have read 4.5 microsleverts, as the accompanying text correctly stated. It also stated 1 slevert = 0.01 rem (rad), instead of 100 rem (rad).

not signed the treaty, while states that have a military nuclear capacity are not obliged to allow inspections, although Britain, France, the US and the Soviet Union voluntarily allow

Dr Blix believes that, despite its shortcomings, the safe-guards system could provide a model for verification for nnelear disarmament.
He is concerned at the "sen sationalist" reporting in Western media about Chernobyl but he admits that initial Soviet responses were inadequate. The agency only learn of the acci-dent two days after it had taken place. The Soviet authori-ties' failure to inform the

the accident and delays in implementing emergency measures were serious failures, our recommendations bave been accepted," says Dr Morris Rosen, the agency's director for nuclear safety.

The agency's other main role is to administer safeguards under the 1970 nuclear ing an agreement made with

agency and its neighbours about

ECC	By quarter,		DTAS	
	2/1986	. 1/1986	4/1985	3/1985
lot-rolled coil	4,045	3,827	4,115	4,111
Incoated sheet	3,372	3,276	3,332	3,442
alyanised sheet	878		846	277.
thher coated sheet			785	759
uarto plate	1,286	1,333	1,311	1,277
leavy sections	1,139	1,149	1,108	1,062
Vire rod	2,46\$	2,517	2,595	2,570
einforcing bars			1,922	1,737
terchant hars	2,165	2,127	2,127	2,167
Freed from Quota o	entrols on Janua	ну 1, 1986.		

### Commission sets tight steel production quotas

TIGHT PRODUCTION quntas fureign markets. for European Community steel- Tn some ext for European Community steel-makers, announced yesterday, reflect the aim of trying to hold prices up in the face of modest demand. But reports from the market suggest that supply and demand latterly have been broidly in halance.

demand latterly have been broadly in halance.

The quotas, published by the European Commission which supervises controls on the industry in the Community, have also been affected by the downturn in export demand, not only because of the restrictions on the US market but also because of diminishing demand on the Soviet and Far East markets.

However, onotas set at this to stage are only indicative and individual can be changed in reflect but the result in market conditions one product or the winning of orders on per cent.

In some extent they have been affected by the removal from the system of other coated steps taken by the Community to liberalise a system brought in to protect steelmakers as

they restructured. Galvanised sheet and wire rod quotas have been held down partly because they are competitive products with respectively other coated sheet respectively other coated sheet and wire rod. But the system bas been changed to allow the producers greater flexibility. The Commission explained yesterday that the producers are now being permitted to gn 10 per cent above their individual production ceilings, but the rise in nutput for any one product cannot be above 25 per cent.

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### Austria to dismantle its only N-plant

By Patrick Blum

**EUROPEAN NEWS** 

monitoring slations are now

provided to the agency. The Soviet Union has also declared

its readiness to establish an

which could affect other countries.

Dr Blix says lessoos will be learnt from the disaster but be

does not believe that it will be

possible to establish a permanent body to control /iclear safety worldwide.

the ease until now.

The declaration in Tokyo

early warning system, there are suggestions for extending the

mechaniam for emergency

assistance.

AUSTRIA'S only nuclear power station is to be dismantled, Chancellor Fred Sinowatz, said yesterday.

The decision ends years of uncertainty about the plant, of Zwenlendorf, which was completed in 1978 but never used because a referendum in the same year decided against commissioning it.

Dr Sloowatz told Parlia-ment: "The Government has safety worldwide.

"Many people would like to see that, but any idea about an international body with wide supervisory and regulatory functions is far reaching. I don't think that governments will want to set up such an institution but they will want to go further than has been the ease until now. accepted a report outlining the complete tiquidation of the existing nuclear power plant at Zweotendorf . . . the problem of the use of nuclear energy in Austria can be considered as decided and closed."

Dismantling Zweatendorf was a necessary consequence of the Soviet accident at Chernobyl, be said.

earlier this month by leaders of the seven leading industrial nations calling for an early warning system, especially when there is a danger of cross-border radiation, is favoured by Austria will also urge Boan not to build a unclear repro-cessing plant at Wackersdorf in Bayarta. Earlier this week, the Government bere said that the plant would "threaten the whole of many countries, including the Soviet Unioo, he says. The agency's work on safety is expected to be expanded strongly in the future. In addition to establishing an Anstria."

Despite the targe scale use of bydro-power to generate electricity, as well as of coal and oil-fired plants, Austria faces regular shortages of electricity to winter, forcing it to import electricity. The IAEA could handle a greater role, "if we are given the resources and more money,"

The International Energy Agency has repeatedly warned Austria about its the resources and more money," be says. The agency's hudget of around \$130m, including voluntary contributions, has been frozen for three years. It is not enough, says Dr Blix. "We cannot undertake a significant expansion in the field of safety without increasing our resources. In the end it is up to the governments." increasing dependence on energy imports from the East bloc. All natural gas imports and about a third of its oil come from the Soviet Union. Large quantities of other fuels and raw materials also come from Eastern Europe.

### Chernobyl will not boost food import bill, says ambassador

BY DAVID BUCHAN

THE CHERNOBYL nuclear foodstuffs. PlanEcon estimated accident will not cause the Soviet Union to buy more food from the US or the EEC. deswith few extra imports needed.
Mr Zamyatin said Chernobyl's
three undamaged reactors had
been "slowed down." but all pite cessation of all agricul-tural work within a 30 kito-metre radius of the stricken power plant. Mr Leonid Zamyatin, the Soviet ambassador to Britain, told a news conference

World commodity prices have risen in the wake of the nuclear accident, on expecta-tions of higher Soviet imports. But two reports by Washington-based research organisations this week gave a mixed assess-

### EEC fails to agree safe

NATIONAL EXPERTS from

EEC member states have given up the struggle to agree common safety levels for radioactive traces in food. Ten days of discussions to agree common standards, and thereby avoid disruption of internal trade, failed to reach a conclusion on Wednesday

similar RBMK-type reactors elsewhere were operating normally. Wharton and Plan-Econ agree that diversion of coal, oit and gas to make good the Chernobyl power loss might reduce Sovict energy exports later this year by 100,000 barrels of oil (or oil equivalent)

the losses would be mainly to

milk (500,000 to 1m tonnes) and

meat (under 200,000 tonnes),

this week gave a mixed assessmer.l.

Wharton Econometrics forecast a possible cut in the Soviet
grain harvest by up to 20m tonnes, necessitating some imports of grain and other product, according to PlanEcon estimates.

### radioactivity levels in food

night. The experts decided, however, that contamination bad decreased markedly in most areas of the Community, and that "all food allowed on the market can be considered

regions of eastern France. The failure was due mainly to a rift between Italy and West Germany, the former conceroed to protect its vegetable exports like lettuces, the latter its dairy exports. It came just before the European Parliament agreed in an emergency debate to urge the adoption of common standards, and called on member states to seek compensation from the Soviet Union for those affected

by radiation Commission officials said the disruption of internal trade had The exceptions to the rule where contamination is still being recorded include mouotainous areas of Bavaria, northern Italy, and some distribution of internat trade had constructive purposes only, and largely ceased, particularly at a call for international coperation."

Mr Zamyatin went out of his way to thank Britain for the protective suits it had sent to the Soviet Union

### Moscow still ready for Geneva follow-up

By Robert Mauthner, Diplomatic Corresponden

MR LEONID ZAMYATIN, the new Soviet ambassador to London, said yesterday that the proposal made on Wednesday by Mr Mikhail Gorbachev for a special US-Soviet summit on ending nuclear tests did not exclude a subsequent summit on more general subjects.

At his first news conference since assuming his post two weeks ago, Mr Zamyatin said weeks 250, Mr Zamyaun sau that Moscow was quite ready to fulfil the agreements made by President Ronald Reagan and Mr Gorbachev at their Geneva meeting last November. That included another summit

meeting.
He did not suggest, however any date for the main US-Soviet summit, which Washing-lon has said cannof be held before the November mid-term

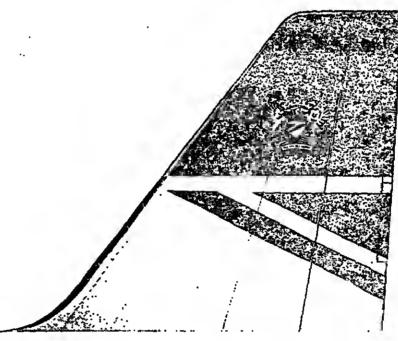
before the November mid-term elections in the US.

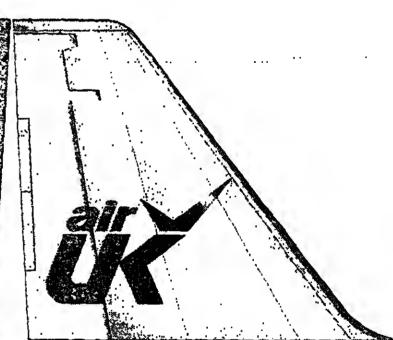
Mr Zamvatin underlined once again the Soviet position that the second meeting between Mr Reagan and Mr Gorbachev should not be just another "getting acquainted" session, but should lead to specific the second s cific agreements, particularly on halting the nuclear arms race.

Explaining Mr Gorbachev's

proposal for a separate early summit on a nuclear tests moratorium, Mr Zamyatin said that the Chernobyl disaster had underlined the inherent dangers involved in the use of nuclear energy,

"What bappened at Chernobyl strengthened our conviction that the course taken by us was the only correct one to follow - ridding our planet of nuclear weapons, safe utilisation of nuclear energy for peaceful, constructive purposes only, and





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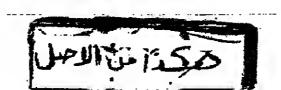
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### Britain hails investment pact with China

BY COLINA MACDOUGALL AND CHRISTIAN TYLER

mutual investment protection agreement with China which officials in London claimed is the most comprehensive of any Peking has yet concluded with its trade partners. its trade partners.

Sir Geoffrey Hewe, Britain's Foreign Secretary and Zheng Tuobin, China's Trade Minister, also time signed a £300m soft lean agreement which is intended to finance at the eutset at least four major projects for which British companies are bidding.

for up to five years, but must pay a proportion of the total due each year.

However, there is no explicit guarantee that earnings in Chinese currency (remninhl) can be converted into foreign exchange.

The authorities normally enly allow foreign investors are early appropriate to the converted into foreign investors are converted into the converted in

BRITAIN yesterday aigned a law, is that the repatriation of mutual investment protection capital, profits and fees is said

to be guaranteed.

In the case of balance-ofpayments difficulties, either
country can delay remittances for up to five years, but must

at least four major projects for which British companies are bidding.

The investment agreement, which was welcomed by British industry, is meant to encourage companies to raise their lerel of investment in China—very low compared to that of other Western countries and Japan.

The only big British equity joint venture in China outside the offshore oil sector is Pilkingbuilt on the eutskirts of Shangbuilt on the eutskirts of Shangb

ing British Oxygen, which has been negotiating to run a plant, also in Shanghai.

One of the main points ef interest fer UK companies which have been deterred hy the arbitrary nature ef Chinese



Zheng Tuobin and Sir Geoffrey Howe-shaking hands after signing twe major agreements

It would then run indefinitely programme onless terminated by either

China has 14 ether investment promotion and protection agree-ments with western countries, including UK competitors such as West Germany, France and Italy. But the US, China's lead-ing foreign investor after Hong Kong, has yet to reach agree-ment, despite protracted nego-tiations.

tiations.
The soft lean, Britain's first under a new system, will cost about £90m from the aid hudget ever 20 years if the whole £300m ever 20 years if the whole £300m in ef concessionary credit is used. The China loan represents three-fifths ef the UK's soft lean china loan represents three-fifths ef the UK's soft lean china loan represents three-fifths ef the UK's soft lean china loan represents three-fifths ef the UK's soft lean china loan represents three-fifths ef the UK's soft lean china loan represents the loan at the loan a

If the feur first projects in China materialise, more than half of the £300m credit will have been spoken for. The projects are: Yucyang power statien in Human province (Balfeur Beatty and NEI1; telecommunications equipment for Shanghai (Standard Telephones and Cables): o tube mill for Dave steelworks, Hubei, (Davy McKee); and technology for Luoyang tractor factory, Henan (Lucas CAV).

China will receive the Ioan at

### **Boeing** wins \$750m **Peking** order

By Robert Thomson in Peking

CHINA HAS agreed to purchina has agreed to purchase ten passeoger lets—four Boeing 747-200s, four Boeing 787-200s and two Airbas A310-300s—at a cost of \$850m, according to the Civil Aviation Administration of China, the national

The deals are a victery fer Boeing, which has been battling at the top end of the market with Airbus and McDonnell Douglas.

Boeing Sald the eight jets cost \$620m, but the contract, which was finalised in March, includes spares and training and is worth \$750m. The planes are due to be delivered between February 1987 and March 1996. March 1990,

CAAC says the Airbus een-ract, signed last week, is worth \$100m, and the planes will be delivered in the third quarter of next year to the Shangbai hraoch of CAAC, which aiready has three Airbus A310s.

The Chinese Airline is in the midst of a major expan-

the midst of a major expan-sien of its fleet, and fereign mannfacturers have estimated that up to 200 aircraft could be sold to CAAC in the next few years. CAAC has greatly expanded its network in

### Washington and Tokyo re-open suspended semiconductor talks

long-running US-Japan talks en semiconducter trade reepen in Washington today.

The talks, cooducted at the vice-ministerial level, will attempt to establish the cost of producing semiconductor chips in Japan in erder te determine a fair pricing system for Japanese chips in the US. US semiconducter producers elaim that Japanese manufac-turers are dumping several

kinds of chips in the US market and are pressing for the imposition of more anti-dump-

imposition of more anti-dumping duties.

US and Japanese negotiaters,
hewever, are seeking a new
pricing scheme for chips as well
as improved access for US chip
makers in the Japanese market.
The bilateral talks held
today will continue next week when the topie will include mar-

ket access and dumping.

An official from the Ministry fer International Trade and Industry (Miti) said sesterday the Japanese side was hepiog fer a break through in the eight-menth leng chip talks.

Miti also stressed the results of the talks would be passed en to EEC officials who are con-

perned that the US and Japan might set up some kind of semi-conductor eartel. The talks mark the seventh time the twe sides have met at vice ministerial level and the



Yeutter—still hoping for a way forward

Negotiatiens were suspended on March 28 hy Mr Clayton Yeutter, US Trade Representative, who charged Japanese negotiators with "intransi-gence." US industry advisors gence." US industry advisors close to the negotiations have said that talks would oot reopen until the Japanese medi-fied their position or came up with a new proposal.

US officials say Miti has proposed a system that would ensure US manufacturers a share of the purchases made hy Japan's largest electronics com-panies. But the US is seeking

previously proposed a "global price and production cost meniloring system" at the meniloring system" that would track all Japanese semi-conductor sales and ensure that

prices remained at "fair value." Until receotly, Japanese negotiators rejected this preposal in favour ef a "floor price" mechanism on certain types of semiconductor products.

According to semiconductor iodustry analysts, the US proposal was unacceptable to NEC and Hitaehi, twe ef Japan's largest semiconductor makers, both of which have production

facilities in the US. US officials say Miti has "fleated a trial balloon," proposing a system that closely resembles the US plan for a global monitoring system. Miti global monitoring system. Miti is new suggesting a system that would measure demand and supply of key semiconducter products and curb overproduction in Japan. Floor prices would be set by Miti in Japan. The preposal, they say, alse calls for the US and Japan te establish a "uniform minimum price system to prevent circultus exports to the US or elsewhere through third coun-

tries." tries."
The US Trade Representative faces a deadline of July 11—12 months after the US semiconductor industry complaint was

elsewhere through third coun-

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### US prepares to act in Brazil computer row

BY ANN CHARTERS IN SAO PAULO AND NANCY DUNNE IN WASHINGTON

A TRADE dispute between the US and Brazil ever Brazil's protection of its microcemputer market is threatening to strain the cordial relations between the two\_countries.

The White House Economic Policy Council appears te have lost patience with the progress of the market opening talks and erdered a trade working group to come up with a list of candidates for retaliation by June 25. There is said to be unanimity in the Administration for action against Brazil. The US industry says Brazilian trade restrictions

says Brazilian trade restrictions on computers and related technolegy cost. them \$1.5bn between 1980 and 1984.

Mr Roberto de Abreu Sodre, Brazilian foreign minister, has held out the possibility of joint ventures with US corporations.

The US claims Brazil is indulging in unfair trade prac-tices with regard to its market reserves for demestic comof personal computers,
panies in the growing field
peripherals, software and data
processing services.
Mr George Shults, US Secre-

tary of State, and Mr Sodre, Brazil's Foreign Minister, have agreed to discuss the issue, but no date has been set despite a June 1 deadline for US action. The US has asked Brazil to be more flexible in its interpretation of the law counting the tien of the law granting the

Brazilian market reserves were put inte effect under the so-called "Informatica" law which gives exclusive access to domestic companies for eight years. The law has six-and-a-half years to run.

The SEI, the Brazilian Government agency responsible for approving investments and pro-jects under the law, puts the domestic market for microcomputers and software, not including telecommunications, at close

Foreign husinessmeo government efficials contend that the law would more aptly be called an electronics law. This is because it has been applied mainly to control the manufacturing and import of a wide range of equipment using joint ventures with US corpor electronic components from attons but the American in robots te industrial process condustry has complained that trel systems, medical equip-Brazil is blocking foreign in ment and computers.

ing trading partner. According to Cacex, Brazil's foreign trade agency, the US market absorbed Brazilian experts worth \$8.1hn in 1985. US exports te Brazil totalled \$3.1hn.

Brazil's exports to the US, including shoes, aircraft, orange juice, steel, textiles and alco-hel, are being reviewed by US trade officials as part of the pending 301 trade action. In Brazil, the "infermatica" been couched in terms of national security which has made public debate difficult.

### INSIGHT INTO CORPORATE STRATEGY

### **DAIWA SECURITIES:** Expanding and Diversifying

Daiwa Securities Co. Ltd. traces its roots in the Japanese financial world back over 80 years. After initiating the bill brokerage business in Japan, this pioneering firm entered the banking and securities business and inaugurated overseas activities by establishing a subsidiary in New York in 1924.

service, integrated securities companies, and acts as a broker, dealer, underwriter and distributer in the global financial world.

The past year has witnessed phenomenal expansion by Daiwa Europe in London, which is at the very heart of Daiwa Securities' European operations. Business has more than doubled according to Mr. Koichi Kimura, Chairman of Daiwa Europe Limited and Managing Director of Daiwa Securities Co. Ltd. of Tokyo, who gives his assessment of rapidly changing environment.



Chairman of Daiwa Europe Limited and Managing Director of Daiwa Securities Co. Ltd.

### Swiss record for tourism

FOREIGN visitors spent a record sum of ever SFr 10.1hn (£3.6bn) in Switzerland last year, according to figures released by the Government in Berne, reports John Wicks from

This was 5.5 per cent higher than the tetal for 1984 and re-flected both an overall increase flected both an overall increase in the number of fereign tourists and a rise in average expenditure. Hotel income is reported to have gone up by some 8 per cent and that of other forms of accommedation by 5.5 per cent over the year.

Geneva.

Mr Dunkel, 53, has held the post since 1980. He was preceded by anether Swiss. Mr Olivier Long, whe was directorgeneral for 12 years from 1968. There was ne opposition to his re-appointment

### **Dunkel** to stay as Gatt chief

MR ARTHUR DUNKEL'S appointment as director-general ef the General Agreement on Tariffs and Trade, the Geneva-hased world trade erganisation, will be extended for three years from the end of September, the Gatt council decided yesterday, writes William Dullforce in

Davis: How have the requirements of your clients altered and what impact is this having on your London business?

Kimura: Our structure is changing and growing in response to investor demand. We have two main types of activity here in London; one aimed at Japan-based investors interested in Europe and the other directed towards European investing in Japan. Our husiness for Japanese clients has been expanding but their tastes are changing. In percentage terms, the Japanese market has always been more important to us but the demand for paper has been shifting as our clients become increasingly aware of opportunities outside the domestic

Also European investors in the Tokyo market have begun to diversify their portfolios. They used to invest in government Yen bonds and Japanese equities but now are becoming interested in Yen convertibles, equity-linked Euroissues and equity warrants. The latter have been particularly popular with European investors in the last six months because of the high gearing factor on price movements.

Davis: What changes have you seen in Daiwa's role as an issuing house over the last

Kimura: Both our involvement in Euroyen and non-Yen issues increased substantially. We see a dramatic increase of our involvement in non-Yen issues with more and more dollar denominated bonds. Whereas we used to parcitipate in new issues, we are now becoming increasingly active as lead managers in non-Japanese dollar issues. This is because Japanese investors have invested huge amounts in US Treasury bonds in recent years and oow that money is being diversified into Eurodollar bonds. The investment base is at present, of course, still mainly Japanese.

Euroyen issues are also increasing in number and in size. The Euroyen market is now well established and probably now ranks in second place to the Eurodollar. Until 1984 the number and size of issues was very limited and so not many serious institutional investors were interested. If they wanted to invest in Yen bonds they would turn to the domestic market in Tokyo. But now they can see a growing level of activity, with big 30 billion to 50 billion Yen issues coming along, and they are more interested because they can trade in the stocks. A sensible after-market has developed which is also a useful side-effect for Daiwa as market

It is oot just European investors who have become more involved with Euroyen issues. Jopanese investors too, shunned the market in its early stages. But now a liquid market has

Kimura: 1 believe that we will lead manage an increasing number of non-Japanese, non-Yen issues. As long as Japanese investors keep coming to invest in non-Yen paper, our market

The next sector for us to tackle is foreign new and until now practically all the funds were directed towards North America with some also finding their way to Australia. Very little

has meant that many Japanese investors are nursing losses, even taking into account the iocome differential. Yet they still have to invest outside Japan because the cash flow is too him for the domestic market to absorb. Thus currency diversification is becoming important. As a gowing number of investors realise that they have to look beyond the basic yield and assess currency factors, money is being directed to Europe in a small way; to currencies like Ster-

Apart from currency diversification, stage when it comes to European equines. Davis: How can you better promote inUntil the end of 1984, only 10 companies were listed en the board that were not Japanese. Last year another 10 were added and the number is accelerating this year. Once listed on the domestic market, of course, investors then become used to the companies and are more aware of the prices. The second way is the more pormal method of buying shares in the secondary market, in London or Frankfurt for example, on behalf of Japanese investors acting on our advice.

However, 1 believe the idea of listing companies in Tokyo is more effective. So far, most of the companies that have come to Japan have been from the US, although Daiwa brought the first European group, Dresdner Bank, to the market towards the end of last year. Only three in all have come from Europe, the most recent being Cahle & Wireless from the UK, hut I believe we will see a lot more.

Davis: World markets are becoming in-creasingly international but are you happy with the pace at which Japanese markets are being deregulated?

Kimura: Japan is still in the process of deregulating and I should say that the pace has been much faster than people expected because the motivation has come right from the very top, the Prime Minister and Finance Minister. I am very pleased with these changes. The Euroyen market, for example, bas seen some relaxation and deregulation almost every quarter and is now virtually a free market.

Davis: How will Daiwa be placed to exploit moves in the main financial centres of New York, London and Tokyo toward e more integrated system and a "24 hour market"?

.Kimura: Daiwa is, of course, well repre sented internationally but I believe there is still much 10 accomplish before we gain complete co-operation between our subsidiaries in these three main centres. Increased computerisanon is important. At the moment, the barriers are more technical than cultural.

same type of securities on one book. For instance, if it is domestic Yen bonds, then all dealing should be controlled by Tokyo. At the moment, we here in London are given offers by Tokyo in the morning and we work on them but it is not an automatic flow. Eventually London would control the books of all the Eurosecurity dealing; Eurobonds, Euro issues for Japanese issuers and so on. Davis: Whet other chenges will Daiwa face as the markets and the securities houses become

It will be important for us to deal all the

more internetional?

Kimura: We have offices throughout the world and we see increasing deregulation everywhere. Barriers are coming down. This means that if you rely on one market, in our case Japanese equities and bonds, you will lose market share as the big banks and securities houses move in from everywhere to establish themselves. So Daiwa, like others, will have to huild firm foundations in the local securities markets of the countries where we are involved. We must concentrate on servicing those local markets while at the same time becoming more international and encouraging our clients to do the same. That is why we have joined "S.E.A.Q. International (Stock Exchange Automated Quotations International)" in preparation for on-screen dealing and have applied for full membership on the London Stock Exchange. We feel that more Japanese investors will want to deal in UK Government securities and so we must be able to make a market in gilts.

Davis: Are you anxious to win a UK banking licence and how do you believe it would enhance your business in the UK? Kimura: I am sure that the technical dif-

ficulties between the UK and Japan are virtually solved so I am optimistic that a hanking licence will be granted within this year. I think it is just a matter of when and what order they are issued to the Japanese houses. We already have banking operations in Amsterdam and the Far East but that is not really convenient. I am convinced that we will benefit when we can establish a banking operatioo here in the financial centre of London.

We all know that banking and securities dealing should be separated to avoid conflicts of interest and at the moment, of course, the traditional banking business is in difficulties. Competition is lough, margins are coming under pressure and it will not be easy for a newcomer like us. It is, however, a long-term project and we will start conservatively. The important thing is to have a banking subsidiary in London so that we can offer an entire financial service under one umhrella. That is a basis for development.

### Ericsson awarded \$100m US Army radio order BY PAUL TAYLOR IN NEW YORK

communications equipment 25,000 telephones over an eight year peried.

systems subsidiary had won an order valued at over \$100m te supply more than 2,000 digital supply more than 2,000 digital and will result in calls for the life. microwave radios te the US

The Swedish group said the contract was owarded by GTE's tactical systems division. The contract is part of the \$4.3bn mobile aubscriber equipment (MSE) contract which GTE and its European partner, Thomson-CSF of France, won late last year after a fierce battle with a rival consortium led by Rock-well International and Plessey

of the UK. : The MSE contract, dubbed the Pentagon's largest ever fereign military contract, will provide mobile tactical communications equipment to the US Army enabling operaters to transmit and receive messages virtually anywhere in the world.

The multibilion-dollar contract calls eventually for the CTE consortium to deliver more than 8,000 mobile radios,

ERICSSON, the Swedish tele- 1,400 switching centres and communications equipment 25,000 telephones over an eight

delivery of the digital micro-wave radios over the next six

years David Marsh from Paris adds: SNECMA, the French state controlled aeroengine group, has won a half share in a \$461m order received from the Pentagon to remotorise the US Air Force's KC-135 Boeing transport

The order was awarded to CFM International which is a joint venture between General Electric and Snecma.
The companies will be building 188 F-108 engines to equip
43 KC-185 transporters and four

C.135F aircraft owned by the

French air force.

The erder is the latest in a long lina of remotorisation contracts for the CFM grouping. motors being produced fer the US and French programmes te developed as they come in. Liquidity is very important for them

Davis: How do you intend to build on this increasingly important position in the London bond market and are there new opportunities:

share is bound to expand. shares. This is a new area for us because Japanese investment abroad is still relatively

investment was made in Europe. However, the weakness of the US dollar

ling, EOU and the D-mark. Jananese investors are also looking to diversify their portfolios beyond government issued paper. They had concentrated on US Treasury bonds or UK Gilt edged bonds but now they are spreading into other areas although the amount invested in equities is a very tiny proportion. We are hoping to huild on that although a lot of institutional investors are still only in the learning

terest in European shares? Kimura: The first way is to introduce more foreign companies to the Tekyo stock exchange.

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By Reginald Dale, US Editor, in Washington

THE Soviet Union yesterday introduced a draft treaty limiting intermediate-range nuclear missiles at the Geneva arms talks, but at first slight it appeared to contain little new, the White House said. Mr Larry Speakes, the White House apokesman, nevertheless said that it was "helpful" that Moscow had

presented the proposal without the usual propaganda fanfare. "We hope this would indicate that the Soviets are becoming serious" abe, " it, The White House released no details of the Sovi /. pro-posal, saying that it appeared to be " a more formal codifica-

of previous Soviet state-It was understood, bowever, It was understood, bowever, that the Soviet document did not meet US demands for limits on intermediate range missiles in Asia as well as in Europe. It was also said to repeat Moscow's earlier insistence that the British and French strategic nuclear

arsenals be frozen as part of an agreement on the intermediate range forces—the US eruise and Pershing 2 and the Soviet SS-20—a stipulation that Washington, as well as the UK and France, has rejected.

US officials have long helieved that the inter-mediate range missiles pro-vide the best chance for a hreakthrough on arms

contcol.

At their first summit in Geneva last November, President Ronald Reagan and Mr Mikhail Gorbachev, the Soviet leader, agreed to try to reach an Interim agreement limit-ing the missiles, which Mr Rengan would ultimately like to see banned altogether.

The White Honse mean-while welcomed Mr Gorbaehev's call for better international co-operation on nuclear safety in the wake of the Chernohyl accident, It added, bowever, that the US was "distressed" that Mc Gorbachev had accompanied Gorbachev had accompanied the call, in his Wednesday night television broadcast, with accusations that the US and other Western governments bad tried to make political capital out of the accident. Terry Dodsworth assesses a finance committee proposal attracting moderate corporate sector enthusiasm

### Industrialists applaud Senate tax reform plan

has had very few positive things taxable income from the to say about tax reform. Most Treasury over the last few businessmen believe that uncer- years, while virtually every tainties over future tax company pays well under the provisions are cramping invest- limit. ment and expansion plans and they are well aware that any change is likely to increase the overall Treasury take from the corporate sector.

In this unpromising climate of opinion. Senator Boh Pack-wood and his team on the magically produced a package that is attracting at least moderate cothusiasm from the

Mr Roger Smith, General Motors' aggressively outspoken chairman, bas set the general tone of much of manufacturing industry, saying that the finance committee deserves applause all cound. "While important details have not yet been clari-fied," he said, "they have come up with a package that looks like true tax reform. It has momentum and sbould move through the Senete and into conference as quickly as possible."

The basic feature of the Senate plan, which is expected to raise the tax from business by about \$108bn (£70bn) over five years, is to bring in a minimum company tax of 28 per cent and a top corporate rate of 33 per cent. These would replace the present system of a 46 per cent top rate which is so riddled with concessions that some companies have been able

In addition, the Senate project would continue to allow accelerated depreciation on equipment—a big plus with the manufacturing sector—while reducing the depreciation allowance for property. It would repeal the investment tax credit for expenditure on capltal equipment of betwen 6 and 10 per cent, and would raise the tax on long-term capital gains to 27 per cent from 20 per cent.

The rate on short-term capital gains on investments held for less than six months, bowever would be cut radically from 50 per cent to 27 per cent.

Underlying the corporate ecoreaction is the feeling to the of Senate finance committee's proposals constitute a hetter option than the alteroative proposals from the House of Representauncertainty by pushing them through as rapidly as possible. This attitude, of course, is not

universal. Some companies will continue to oppose the Seoate finance version because they see it, like the House proposals, as essentially a tax increase



both supporters of the plan

According economists, the overall effect of the suggested measures would be to return the cor-porate tax take to about the level of the late 1970s, before the heavy tax reductions which

income from tax over the last meeting of the influential few years by judicious use of Business Council last week.

Other top businessmen have given strong support to the schedules. These companies Senate committee's aim of would have to pay a minimum producing a tax regime which tax of 20 per cent on their does not subsidise specific earnings under the provision in sectors at the expense of

the Senate finance committee's peoposals aimed at stemming the criticism that giant corporations lika General Electric and Boeing ought to be paying something to the Treasury.

Even so, some of these companies seem to believe that the the heavy tax reductions which marked the pioneering early industrialists are suggestiog, it would be better to follow the Senate track than the House's. At the same time, companies feel that, now there are acceptable proposals on the table, it would be bealthier to remove uncertainty by pushing them

impact of the proposed measures should be to stimulate the economy and therefore balp industry—through putting more spending power in the pockets of the American compared with the present multiple.

High technology industries are also looking favourably on the Senate's plans. Because their investments tend to be lighter than those in traditional manufacturing, with expenditure beavily concentrated on the cerebral business of research and development, they bave not benefited as much as heavy manufacturing from the 1981 measures. But under the Senate programme, they would he able to keep their valuable research allowances, while their overall taxes should come down because of the lower corporate rates.

changes causing the mod anxiety is the plan to increase capital gains tax from 20 per cent to 27 per cent. This is causing a great deal of quescausing a great deal of ques-tioning in the venture capital community, which has had a field day since the capital gains rate was reduced from 28 per cent in 1981. Since then, funds have flooded into start-up husinesses, rising from well under \$1bn (£649m) a year in 1980 to more than \$4bn in 1983 and 1984 and holding up at

\$3bu last year.

others. They also argue that, attribute the extraordinary while the proposals have some surge in entrepreneurial actinegative aspects, the overall vity in the US over the past five

corporate tax regime, the smokestack industries may also be losers under the Senate finance plans. Both the invest-ment tax credit and accelerated depreciation allowances are tig depreciation allowances are tog pluses for these sort of com-panies. Yet, while they would lose the investment fax credit, the Senate committee would give even more generous depreciation allowances—and it has to be remembered that these commanies need to have these companies need to have profits against which to offset the allowances, a position that most of the steel companies have not been in for several.

Finally, the real estate business stands to be a heavy business stands to be a heavy loser under the Senate finance proposals, partly because depreciation schedules are being made less generous for property and partly due to the elimination of tax shelters which had encouraged wealthy individuals to invest in property. But there are unlikely to be many tears shed in industry about potential problems in real estate, whose lems in real estate, whose investments are frequently regarded by manufacturers as a drain on the productive resources of the country.

### Mexico defends record on capital flight

By David Gardner in Medica City THE Bank of Mexico vesterday moved to defend the record of President Mignel de la Madrid's Government in curbing capits

In a strongly worded attack on Morgan Guaranty, the US on Morgan Cuaranty me US
money centre bank which
relained recently that \$17bn
(£11bn) left the country
between the end of 1982 and
September last year the hank
said its own figures suggested
a net outflow of just \$1.5tn

a net outflow of just \$1.5tm.

The Morgan estimates came in a study published last month which concluded that capital flight was one of the main causes for the ballooning of Mexico's foreign debt to its current level of \$970m. Without it the debt would be only \$120m. Morgan said.

In its rejoinder, published in the form of a rare statement on the issue yesterday, the Bank of Mexico said Morgan's figures were exaggerated and "arrived" were eraggerated and "arrived at through the wrong statistics and a questionable methodo

and a questionable methodology."

Publication of Morgan's study
did little to help deal with
capital flight, "a very complex
problem which undoubtedly
reached serious proportions in
the past."

Both Mr Miguel Mancara,
central bank president and Mr
Jesus Silva Herzog, Cambro
Minister, have been entremely
sensitive to suggestions, tion
abroad that Mexico has Seen
unable to curb capital digit.

This is frequently here, as
an excess by creditors for
refusing to provide fless thans
the country heeds to help it
through the francial suprezec
caused by the fall in fill prices.

US output up 0.2% US INDUSTRIAL production rose B.2 per cent in April after a revisal S.7 per sent drup in March and was S.2 per beat above its level of a year ago. Reuter reports from Washing-ton.

### Age proves no barrier in Dominican Republic poll

ANY ASPIRING gerontocrecy should take heart from the presidential and parliamentary elections in the Dominican Republic where two politicians, close to heing octagenarians, have proved that age is no barrier to political ambition or

As the campaign wound up before voting today, Mr Joaquin Balaguer, the 78-year-old leader of the right wing Reformist Party (PRSC) and Mr Juan Bosch, the 76-year-old founder and leader of the leftist Dominican Liberation Party (PLD) were both claiming to have pulled larger crowds than bave pulled larger crowds than their principal rivals. However, Mr Jacobo Majluta, aged S2, the candidate of the ruling centrist Dominican Revolutionary Party (PRD) is

still the fcont runner. His chances were reinforced when Mr Balaguer conceded that be bad gone blind, a fact which bis opponents knew but hed not exploited until this

The race is unusually open and the uncertainty of the outcome and the bigh profile of the candidates has brought people onto the streets in a way never hefore witnessed by the Caribbean's largest Despite a persistent fear of violence, incidents have been

limited. The worst was a shootout near the capital Santo
Domingo last week, in which
two people were killed.

A whist of fraud bangs over
the electoral roll, with opposition politicians wondering bow

employed, is viewed rather
differently.

The outgoing Administration
of President Salvador Jorge
Blanco has executed a model
stabilisation programme to

The powerful business com-

munity and the military also apparently do not mind which of these two is elected but Mr Bosch, who is relying on the working class vote in this country with 30 per cent un-employed, is viewed rather

half the young pepulation of 6m could be over the voting age of 18.

For the first time since the US sent in marines 31 years ago, Washington is standing aloof from the electoral process, though it would clearly prefer either Mr Balaguer or Mr Majluta to win.

The powerful business com-

### **PaineWebber fined \$28.2m**

f cope with the republic's \$3.4bm has also procured an energetic (£2.2bn) foreign debt. For this vice president, Mr Carlos reason, economic issues, though still dominant in the candidates still dominant in the candidates amanifestos, bave figured very little in campaign propaganda, which has focused on the personalities of the candidates themselves.

Mr Majluta has the freshest appeal and is least encambered by controversy. His main disadvantage is the public mood for a change of administration. For the PRD has been in power of establishing too much patronage. "A rich country poorly administered" is a Balaguer slogan.

Although be is unlikely to win. The attraction of Mr Balaguer is less personal than symbolic. He represents a criming of administration. He opposition.

### **OVERSEAS NEWS**

### ANC set to reject peace initiative for South Africa

BY PATTI WALDMEIR IN LUSAKA

tioos between the South African Austrelian Prime Minister, and Governmeot end the African General Olusegun Oba Oba-National Congress (ANC) sanjo—Is due to present a looked dim last night as top "progress report" on South

After two days of talks at its economic headquarters in Lusaka, the Pretoria.

ANC's national executive com-ANC's national executive com-mittee, its ruling hody, appeared that the executive committee likely to reject the initiative, is overwhelmingly opposed to which would require the ANC an immediate ceasefire and the to chandon its guerrilla war opening of negotiations, both against Pretoria in exchange for because of their deep suspicions the release of imprisoned about President Botha's motives leader, Mr Nelson Mandela, and in apparently supporting such the legislation of the organisa-tion in South Africa.

a plan, and beceuse of concern that the move might jeopardise

The so-called Commonwealth
"eminent persons group" cal blacks in the Republic's
(EPG) currently in South
Africa for talks with President declaration of a truce might be P. W. Botha and Mr Mandela, seen as capitulation to the is expected to vist the Zamhian regime.
capital within days to put its "We must be convinced that proposals for a truce to the President Botha has accepted ANC. Although ANC officials the principle of the transfer of Anc. Although Anc. omicials the principle of the transfer of stress that they have not yet power to the majority in South received any direct proposals Africa before we can consider from the Commonwealth group, a ceasefire and the initiation of they are understood to have talks," said one top ANC detailed information on the official. "The hottom line is peace plan now under discustion between the EPG and has yet consorted this extraction.

Botha is determined to

SOUTH AFRICA'S President majority.

P. W. Botha said yesterday his Government was determined to

move ebead with reform and

Johannesburg.

move ahead with reform

would seek approval from to decline requests about the voters through elections or end product precisely because referendums, AP reports from it must be a product of negotia-

In an apparent reference to Mr Botha said reforms would hlack rioters, Mr Botha be taken through parliament, threatened those who resorted according to the constitution,

to violence for political aims and not through any other that "the full might of the forum. "This includes the

state ... has not even remotely possibility of general elections heen fully employed."

possibility of general elections or a referendum, in the case

Mr Botho's televised speech of drastic deviation from to the President's Council, an already accepted policies,"

advisory body to parliament in The Government has Cape Town, broke no new repeatedly stressed that the

ground in spelling out how rights of the white minority of Pretoria planned to move for nearly 5m must be protected in

ward on its pledge to sbare any system of power-sbaring power with the voteless black with the black majority of 24m.

PROSPECTS for early negotia- Mr Malcolm Fraser, former ANC officials met in Lusaka to Africa to tha Commonwealth consider a proposed Commonwealth initiative to briog the two sides together in peace monwealth leaders in determining whether to impose talks. sanctions against

President Botha has accepted sion between the EPG and bas yet accepted this principle.

Pretoria.

And if he hasn't, then what are The EPG—headed jointly by we being asked to negotiate?

He said reform must be a

process of negotiation with all sides, and "I am constrained

### US, French Junejo aims to amend Pakistan election law hostages threatened in Lebanon

By Nora Boustany in Belrut

THE clandestine "Islamic Jihad" organisation yester-day threatened that US and French hostages it is holding would be the first to pay the price for any pressure exerted against Syria for their release by Paris, Washington or other Arah countries.

An anonymous caller, claiming to epeak on behalf of the secretive group, warned in a telephone statement to an international news agency here that if pressure against Syria's President Hafez al-Assad per-sisted, "we will resort to our destructive . method."

Without elaborating, he also said the number of French hostages the group is bolding has decreased because "we have liquidated a number of them."

In March, Islamie Jihad announced the execution of a French sociologist, Mr Michel

Seural.

In addition, the Islamie
Jihad said last October that
it had "executed" Mr
William Buckley, a US
embassy official suspected of being a member of the Central Intelligence Agency, in retaliation for alleged American complicity in the Israell air strike on the Tunie headquarters of the Palestine Liberation Greanisation.

Their bodies have never been found. But, if the leave four American and three French hostages alive. Our Foreign Staff writes: Islamic Jihad is generally regarded as being an extremist fringe group affil-ated with Hezbollah, the militant Iranian-backed Shi'ite organisation.

Troika for Kabul THE Afghan Communist Party chief, Gen Najibullah, yesterdey announced a collec-tive leadership, which includes him, President Babrak Karmal and Prime Minister Sultan All Kishtmand, Reuter reports from Islamabad. Gen Naji-buliah replaced Mr Karmal as party leader last week. Editorial Comment, Page 22

### BY IOHN ELLIOTT IN ISLAMABAD



Mr Junejo: asserting his

THE PAKISTAN Government try to strengthen its base in the country's parliament. It wants to be able more effectively to resist calls for early general elections being issued for the past mooth by Miss Benazir Bbutto, daughter of the late President Zulfikar Ali Bhutto, and leader of the Pakistan People's Party.

A parliameotary ordinance bas been issued cancelling election laws which might have forced Mr Mohammed Khan Junejo the Prime Minister, and up to 170 of his party members in the National Assembly, to face early by elections. Mr Junejo's ruling Moslem League Party is also consider-ing this weekend whether to try to dismiss the speaker of the Assembly, Mr Fakhar Imam,

and independent member who has annoyed the Government on a number of occasions.

June jo attempted to dismiss the ordinance, which is causing con-. siderable political controversy, as a "very small thing of no But his action, taken suddenly this week to avoid an imme-diate challenge in the Assembly

In an interview yesterday Mr

which is now in recess, may be challenged in the Supreme Court and could lead to a major constitutional row. Mr Junejo and his fellow party members broke disquali-fication clauses in the election

fication clauses in the election laws by joining their new Moslem League Party and by becoming its officers in January befora the party was legally registered. Mr Imam annoyed the Govecoment as apeaker by admitting parliamentary references on this issue and this week the ordinance has removed the clauses from the lew with Immediate effect subject with immediate effect subject to confirmation by the Election

Mr Junejo becama Prime Minister last year and has been asserting his authority as the country's "chief executive" over President Ziz ul-Haq, the former martial law admini-strator who ended martial rule on January I. The two men are on January I. The two men are reputed to have had major differences. But the issuing of the oridance, initiated hy Mr Junejo and Issued hy the President, indicates that they bave decided to come together to avoid any risk of by-elections which would have enabled Miss Bhutto's party sharply to increase its political activities.

Commissioner and Assembly.

But the oridance may also Strengthen the relative power of President Zia over Mr Junejo because the Prime Minister may have the threat of possible Supreme Court judgment against bim hanging over his

June or repeatedly asserted his authority as "chief excounter" and insisted that the army the no role in running the country, even though President Zar his maintained the role of chief of

"It is my Government and the generals have nothing to do with it." He also firmly rejected Miss Bhutto's calls for elec-tions in advance of the due date of 1990 and said that his Gov-ernment was "quite capsble" of handling any disturbances she might create without calling on the army or reintroducing martial law.

Mr Junejo expects to visit the US in the autumn when he will discuss US policy over Afghanistan and tha aid it provides to Pakistan. Yesterday Mr Junejo sgreed with a suggestion that in the current Geneva talks Patietan wants Russian troops against bim hanging over his Pakistan wants Russian troops head.

In yesterday's interview Mr within "threa to six months"

John Elliott, South Asia Correspondent, reports on rivalry in the business elite

### Indian magnates fall out over trade body

A FEW years ago Mr Sudarshan K. Birla, a prominent member of India's leading business family, invited to tea the president of the Laundry Association of Amritsar, a tiny trade organisation in a Punjab city now made famous as the centre of Sikh extremism.

The subject of discussion was not the Sikhs, nor even the substantial laundry business done for Mr Birla's Amritsar

Instead Mr Birla persuaded the laundry association to join several other small trade groups around the country and become one of his "bogus" or "controlled" members in the Federa-tion of Indian Chambers of Commerce and Industry (Ficci). India's main body representing trade and industry. He and his friends wanted to control the federation and were con-testing with a rival group to see who could gather the most members.

Resigned

have erupted into a major row have erupted into a major row ceeoing \$1.20n, and the Bennet iish their own independent. Singularia-vain group say they and several leading companies. Colman group, run by the Jain from another organisation dominated by Britisb-based comporters. The issue finally blew up tion, potentially weakening its but include the Times of India of Commerce and Industry last month when attempts at body.

many sectors of industry—into those who support the far-flung Birla family and those who do not. Birla companies rival the Tata industrial empire es the largest group in Indie and have assets and turnover both exceeding \$3bn.

Mr S. K. Birla, aged 51, runs one of the smaller parts of the family empire with interests In cement and textiles, and a turnover he estimates at \$600m a year. He is the main representstive of the family in Ficei affairs where he teams up with another well-koown Marwaris, the Modis of Delhi and Uttar Pradesh, to form the "Birla-Modi Group." His rivals, linked with the Indian Merchants Chamber of

Bombay are also Marwaris. in the heart of Delhl which are They are the Delhi-based J. K. now being re-modelled, and group run by Mr Hari Shankar links with 34 foreign countries Singhania, which is the countries through joint business councils. try's third largest husiness

Five years later, these house and operates in many independence by Indian cominternal political macocurriogs industries with a turnover expanies which wanted to estabcreoing \$1.2bn. and the Bennet

representative role at bome and and the Economic Times, two of abroad.

The row bas also split India's the country's main newspapers. The battle, in the words of Association of Indian Engineer should he made president next should next shoul

"It's a question of who wields power and has prestige and it straddles family and marriage links and friendships" says another industrialist,

### Debate

"No one has ever suggested there is any issue of policy in Ficci involved. No Ficci policy bas ever figured in the debates and rows," says an experienced observer. Ficci is an important power base because, with about 1,200

company members and about 400 genuine association mem-bers, it is recognised as India'a main business organisation. It bas a staff of 150, large offices lish their own independence

Association of Indian Engineering Industries, is beginning to rival these two.

The row in Fleci blew up in the late 1970s when the Indian Engineer of the Indian Chamber of Commerce. That merchants Chamber is said to the Commerce of Commerce. The commerce of Commerce of

Merchants Chamber is said to have started recruiting the controlled and sometimes entirely bogus members. The Birla Modi group and then the Singhania-Jain responded. Ficulty total number of associations Singhania-Jain responded. Fice ei's total number of associations shot up from less than 500 to 1,600 between 1982 and 1985, boosting the Federation's membership dues of Rs 10m (£590,000), hy Rs 1.2m (£70,000), presumably paid by the warring groups.

Mr R. P. Goenka, a leading Marwari Industrielist and this year's Ficci president, who is

year's Ficci president, who is controlled members were then persuaded to resign, but there is a dispute over the remainder. The Birla-Modi group aay those left are equally split between the two factions, and the Singhanla-Jain group say they are virtually all Birla-Modi supporters.

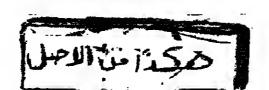
come obvious to all of us that consensus will only work in Ficci when it suits the Birla-Modi group," says Mr Ashok Jain.

The future of Ficci now depends on whether the "agos" and power broking lead to more resignations and even the creations.

International Chamber's massive three-yearly convention in Delhi next February.

Enraged by the dispute over this job, and using the continu-ing "controlled" members dispute as the primary issue, many regarded as an independent with leanings towards the Birlz-Modl group, peomised to try to solve the problem last year. About 950 of the bogus and controlled members were then provided to resign, but there

> resignations and even the crea tion of a new representative



535i 'Shadow'



# ooredor

Sooner or later, reality takes over from the dreams of youth. Success becomes part of a schedule, and covering long distances loses any sense of adventure.

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But you recapture the sheer driving pleasure you enjoyed before routine took hold, in a rather special car: the BMW 535i 'Shadow'.

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out-accelerates monotony. It is powered by a 3.5-litre, six-cylinder from the company that builds Formula One engines, monitored and controlled by Digital Motor Electronics.

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The BMW 535i 'Shadow' bring back the adventure:

treat yourself to a test drive.



The ultimate driving machine

### Two BL chiefs may leave as Day takes over

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

has been known as the group's "great survivor," baving joined as fi-nancial controller from Ford of Eu-

He survived the far-reaching

purge of top management imple-mented by Sir Micbael after his ar-rival in 1977.

For some time, Mr Andrews was

Sir Michael's vice-chairman and

then took control of the commercial

vehicle operations when BL was

He upset some senior Leyland

Trucks managers by taking leave of

Rover could no longer be included

The Andrews consortium's bid for

Land Rover was later rejected hy

BL, together with others from Lon-

rho and J. C. Bamford. BL said it

would keep Land Rover with the

idea of floating the company on the

stock exchange in about two years'

solit into two divisions.

MR RAY HORROCKS and Mr Dav- "disciplined" by Mr Paul Channon. id Andrews, the two executive di- the Trade and Industry Secretary, rectors who have shared responsib- for leading the opposition within ility for the day-to-day operations of BL earlier this year to a merger of BL, the state-owned vehicles group Austin Rover and Ford, an idea for the past live years, are expected which at that time had considerable to leave the company shortly.

They seem to bave been given He was punished, he suggested. little alterostive by BL's new chair-man and chief executive, Mr Gra-manship of BL in favour of Mr Day, ham Day, who moved from British who is widely believed to be Mrs Shiphuilders on May 1.

Mr Day, aged 52, has taken personal responsibility for BL's car division – which locludes Austin Rover, BL Technology and the BL's highest-paid executive, receiving £98,367 in 1985. Until now, be Rover. BL Technology and the Unipart spare parts husines which Mr Horrocks bas headed since April 1981.

Mr Horrocks was "reviewing his position", BL said last night.

Mr Andrews was expected to return to BL, where he has been responsible for the Land Rover-Leyland commercial vehicle operations, after taking a leave of absence to lead the team which hoped to organise a management buy-out of the Land Rover company.

Unexpectedly, he was asked to extend his leave of anseoce and it now seems unlikely that be will re-

Trucks managers by taking leave of absence during the talks with General Motors when the US group hoped to huy both Land Rover and the Leyland Truck operations. Negotiations collapsed when the UK Government told GM that Land In the meantime, Mr Horrocks, who temporarily took control of Land Rover-Leyland during Mr Andrews' absence, bas agreed to continue in this role for a short time so as to provide some continuity.

Mr Horrocks, 55, who last year was paid about £95,000 by BL, pre-viously worked with Ford and Eaton Corporation before being recruited to BL by Sir Michael Edwardes,

He claimed recently be had been

### Manufacturing output shows sharpest reverse for 6 years

BY GEORGE GRAHAM

BRITISH MANUFACTURING industry in the first quarter met its sharpest reversal since 1980, new figures published yesterday show. Manufacturing output in January and February was worse than originally indicated, and it fell further in March, the Central Statistical Office (CSD) said.

The index of output for the manufacturing industries is provisionally estimated at 102.3 for March, leaving first-quarter output 1 per ceot attractions for the UK Government. lower than in the last three months of 1985, and the same amount lower han the same period a year earlier. The announcement was greeted with gloom in the City of London Margaret Thatcher's personal where analysts said it meant many companies would bear the full

brunt of rising wage costs without offsetting productivity gains. Cold weather boosted output by the energy industries in the first quarter to a level 4½ per cent higher than in the previous three-month

Output in the production indus-tries as a whole - including both en-yearlong decline. First-quarter outergy and manufacturing - was % per cent higher in the first quarter than in the last quarter of 1985, and 24 per cent higher than in the same

period a year earlier. The announcement supported earlier evidence from the Confederation of British Industry (CBI) that British manufacturers had seen a downturn in activity in the first quarter. But the CBI said yesterday that the figures were depressing and appeared to suggest that condi tions had been worse than its own survey had indicated.

The CBI said high borrowing costs were still burting industry and called for a further cut in bank ase rates - preferably today. The sharpest decline came in the

metals industry, where first-quarter output was 3 per cent lower than it been in the previous three recorded sharply lower output, and government statisticians.

yearlong decline. First-quarter output in this sector stood 8% per cent below its peak in the first quarter of

Car production rose sharply in March to leave first-quarter output higher than in the previous three month period, but other consumer industries suffered from declining output, despite the apparent evidence of buoyant retail sales in the

Output of man-made fibres in the first quarter rose 6 per cent from the previous three-month period although this sector is still showing lower production levels than those achieved in 1983 and 1984.

The "bias adjustment" to the manufacturing output index, intro-duced four mooths ago in a bid to offset an apparently persistent underrecording in early estimates of months. The chemical industry also output, has continued to embarrass

### Railways lose parcels contract

BRITISH RAIL bas lost the 103year-old rail contract to carry par-cels for the Post Office which will instead send them by road.

The decision is the second recent blow to BR's C150m a year parcels sector. It lost business worth about £10m a year when Mr Rupert Murdoch's News International switched to road distribution with the move of its printing plant to

Wapping, east London. It is believed that the Post Office will save £5m to £6m a year hy switching to road, even after BR offered to cut its prices by £4m in an attempt to retain the business. The Post Office was paying BR £13m a year for carrying parcels and £40m for letters, which are not affected.

ing BR to carry parcels is about £20m when other items are included such as the delivery to stations. Just over two years ago, the Post Office managed to cut the price it paid BR for letters by £5m and it introduced penalty clauses

The cost to the Post Office of using BR to carry parcels is about E20m when other items are included such as the delivery to sta-

Post Office contract, the loss of the revenue will be felt because of BR's high fixed costs. In the year ending March 1985, BR's parcels sector made a surplus of £18.9m before in-

Star premium parcel service which competes with the Post Office. Newspapers before the Wapping move accounted for £30m of BR's

tional may return to rail once its dispute with the print unions has

for late delivery. BR first wrote to the Post Office terest on revenues of £149.3m. The sector includes BR's own Red last September because it was losing money on the parcels contract. After lengthy negotiations it offered to improve the service and cut the price by £1m. Under pressure from the Post Office it offered a different option at £9m.

Because of the additional costs of BR believes that News Internadelivering the parcels to BR, the Post Office decided it could do the The Falcon 100. becomes sky-high

The million dollar difference at 45,000 feet and mach .85.

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Fast - very fast - in fact the fastest of all business jets, the Falcon 100 makes for considerable time savings on long trips, but it also features

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advantages that explain why industry's leaders - including iBM, Sony, Rank Xerox, Saab, Volvo and many more - have chosen the peer-

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Business takes off with Falcon.

### Electricity dispute halts tariff statement

AN ANNOUNCEMENT that electricity tariffs were to go up by less than expected and would then be frozen until March 1988 was cancelled at the last minute yesterday because of the collapse of the power station workers' pay talks, Maurice

Samuelson writes.

Instead, the Electricity Council is making contingency plans to safe-guard electricity supplies from May 24 when the power workers are due to start a work-to-rule.

The council had drafted a statement apparently saying that monthly tariffs from July I would go up by only about 2 per cent, in-stead of about 5 per cent as expect-ed earlier. It would also have beld out the prospect of a tariff freeze until the end of the following financial year.

drafted on the basis of an agree ment concluded by the Central Electricity Generating Board and the National Coal Board about cheaper coal prices to power sta-

The agreement was due to be signed in about a formight's time once it had been cleared by the Government. This timetable could be affected by a prolonged dispute in the electricity industry.

Overtime ban, Page 10

Systime, the computer group, has denied any guilt after its settle-ment of the \$600,000 civil penalty with the US Commerce Department for re-exporting US technology without authorisation.

The company said in a statement: Systime has made the settlement to avoid long and expensive legal proceedings with the attendant ne-gative affect on its business. The settlement is not an admission of any wrongful action but a pragmat-

Systime was alleged to bave made 23 shipments worth more than Sam of US computers to Libya, Syria, India, Pakistan, Malaysia, Singapore, Switzerland and Zimbabwe without authorisation to re-

☐ PROTESTANTS mounted a series of protests in Ulster to mark the six months anniversary of the sign-ing of the Anglo-Irish Agreement which gives Dublin a say in the affairs of the province.

In one protest 12 Democratic Unionist Party members of the Northern Ireland Assembly occupied the switchboard room at Parliament Buildings at Stormont for three hours, holding up the work of some government departments. Police broke down the door with a hammer and the protest ended peacefully.

### SE fights to remove equity plan bar on unlisted shares

It says the proposal is unfair and market." it intends to bring strong pressure to bear in an attempt to have the decision changed.

decision changed.

Personal equity plans were introduced in the last budget as part of the Government's strategy in spread individual share ownership. When in operation, they will bring tax relief on capital gains and income from share investments of up to £2,400 a year.

The outline proposals published the stockholers described its subject of the stockholers described in the stockholers described in the stockholers described in the stockholers and file-sme.

to £2,400 a year.

The outline proposals published on budget day specifically included USM-quoted shares in the scheme, but the Inland Revenue's more detailed proposals, published on Mon-day, revealed an about-turn by excluding them.

chiding them.

Mr Lynton Jones, the exchange's head of public affairs, said the Stock Exchange was very concerned by the change. Presumably it's because it's a new scheme and the Inland Revenue wants every thing to be as safe as possible, but only a handful of USM companies have ever gone bust and there are as many examples of plummeting stocks on the main market as there

are on the USM," he said.

THE STOCK EXCHANGE has ment's position is that the business fiercely attacked the Government's expansion achieves, which provides proposal to exclude shares quoted on the unlisted securities market (USM) from personal equity plans (Pens).

market.

Mr Jones said the Stock Exchange had not been consulted about the proposal and had been surprised by it. We will be making

vett, the stockbrokers, described it as illigical, ill-conceived and ill-conceived and ill-conceived and ill-conceived and ill-conceived. The actual impact may not immediately be apparent, but this could do serious damage in terms of sentiment." Mr. Douglas said.

The Inland Revenue said yesterday that the USM had been excluded from the scheme because

chided from the scheme because Peps were aimed at small, first-time investors who had little knowl-edge of the stock market and needed to be protected from undue

at a consultative stage and all representations would be considered before the final plans were drawn up. The scheme is expected to come into operation next January.

### Shell to abandon £65m North Wales pipeline

BY IAN HAMILTON FAZEY, NORTHERN CORRESPONDENT

terminal on Anglescy, off the northterminal on Anglescy, of the no

The 75-mile pipeline, which until ... In March, the Mersey Docks and 18 months ago was a prominent fea-ture of Shell's corporate advertising on television, cost £7.5m a year to operate.

The company says that the eco-nomics only made sense if through-

This will bring a benefit to the finery itself, a large employer in the port of Liverpool, which lost most of Merseyside special development its oil cargoes when the pipeline area.

SHELL UK is to close its marine was built. Last year less than 3m

Harbour Company agreed that Shell should take over the port's oil terminal at Tranmere. Birkenhead Previously it had been operated jointly. The new arrangement allowed Shell to introduce flexible put reached the design levels of working practices agreed with the 25m tonnes of oil by the end of this unions at Stablow, so that the prosyear. But throughput has been con-pects of operating the terminal sistenity in the range of 5m to 7m more economically were enhanced tonnes per year, with no prospect. Securing the new working practiven market trends, of this in-tices and control at Transacre creasing. The company will now paved the way for closure of the ship its crude to Stanlow via the pipeline, which was beginning to Mersey, using 100,000-tonne tank- represent a serious threat to eco-

### Alternative £60m developments proposed for prime City site

BY COLIN AMERY, ARCHITECTURAL CORRESPONDENT

tower as part of the re-development of the Mansion House Square site in the City of London, Mr Peter Palumbo, the site developer, has come up with alternative £50m schemes. This time they are designed hy Mr James Stirling, the acknowledged leader of new British architecture.

The earlier scheme was turned down after a lengthy public inquiry by Mr Patrick Jenkin, who was then Environment Secretary. A report by the inquiry inspector did not rule out complete re-develop-ment of this sensitive site despite buildings listed as being of special architectural interest.

Mr Jenkin said re-development would be approved "if there is an acceptable proposal for replacing the existing buildings.

The whole dehate will now rest on the definition of the minister's use of the word "acceptable." As a developer Mr Palumbo has done all he can to secure a good piece of con-temporary architecture that fills the complex bill now demanded by

the City corporation.

First of all any new building has to respect the context of this bistor-ic hub of the City of Loudon. Secondly it has to be a commercially viable scheme that will provide the office technology and space for the sophisticated demands of those who To meet this almost imp

set of criteria Mr Palumbo did not appoint a safe commercial archi-tect. In Mr Stirling he has the designer of a new extension to the Tate Gallery for the Turner Collection. Mansion House would be his schemes, there is a preference for first commercial building in London. His Staatsgalerie in Stuttgart Mappin and Webb building, as a won universal praise as one of the

has produced are both intriguing and important examples of a new school of contextual modern architecture that both respect the scale and quality of the entire neighbouring area.

The site does not this time incorporate any outdoor plazas. The triangular development bas its base on Sise Lane, its two long sides on Poultry and Queen Victoria Street meeting in an apex at the cormer facing the Royal Exchange where the turret of the Mappin and Webb building now stands.

There are two clear schemes. Webb building and has a lowish tower of 150 feet; Scheme B demolisbes the entire site as it is at present and redevelops to an overall

LITTLE MORE than a year after the rejection of proposals for a 290ft (88.4 metres) Mies van der Robe are likely to want to rent this pres-tige building at the centre of the mission. Mr Norman St John Stevas, commission chairman, "warmly welcomed" the schemes and said that a building designed by James Stirling would be an asset to the

City of London.

If it fell to the commission to make a choice between the two won universal praise as one of the best new buildings in Europe.

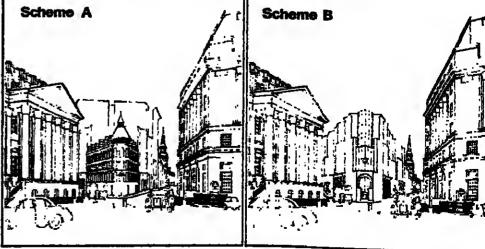
The two schemes that Mr Stirling retained," he said.

If there is to be another wave of controversy about the redevelop-ment of a key City site that is now surrounded by scaffolding and is in a condition of nascent collapse it is likely to hinge on the question of the loss of some seven listed buildings in a Conservation Area

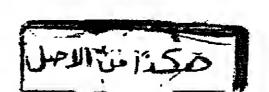
It is time that conservationists looked at the quality of the build-ings that are proposed to replace a collection of unexceptional 19th century commercial buildings. The James Stirling proposals will be faced in finely detailed Portland Stone and granite and will make Scheme A keeps the Mappin and conscious and interesting refer ences to the immediate surround-

In terms of the new City of London plan this new development will height of some seven storeys, with a new apex corner with a glass turret and a new clock.

Both schemes have received the don plan this new development was offer the new sort of office accommodation, 15 ft high rooms to take computer and necessary wiring and room for 10,000 sq ft dealing rooms



James Stirling's designs, showing the Mansion House, left



Try telling a lifelong Man. Utd. fan there are no more tickets.

Or even worse, try telling his son.

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Price Waterhouse



SWEEPING REORGANISATION PROPOSED FOR ENGINEERING INDUSTRIAL RELATIONS

### **Employers seek single-union deals**

ENGINEERING employers in Brit- seas companies establishing opera- these should be withdrawn, and union difficulties, and the EEFs ain are seeking a big extension of tions in Britain - especially Japasingle-unioo deals. Confidential nese - insist on single-union deals proposals have been put to engineering unions on behalf of 5,500 companies covered by the Engineering Employers' Federation

The EEF wants all member-companies to reshape their agreements along the lines of single-union recognition - a move which would mean the largest reorganisation of industrial relations ever seeo in Britisb industry. It would carry widespread implications for the way that companies carry on their

Single-union deals have been widely adopted in those few high-

BY OUR LABOUR STAFF

England, Scotland and Wales begin

an overtime ban on May 25 after

the breakdown of pay talks. Unions

which employers described as "fair

An overtime ban might lead with-

as a precondition for starting up in

The proposal bas been put forward as part of the protracted talks between the EEF and the Confederation of Shipbuilding and Engineering Unions (CSEU) on flexibility and working time. In a draft procedure agreement

tabled recently by the EEF to the joint working party considering these issues, the EEF is seeking the right of all its federated companies to move away from multi-union bargaining to deal only with a single

Where recognition rights are technology companies that do re-cognise trade unions. Many over-unions, the EEF is suggesting that

your is that this is the start of the

Mucb of the work done io this pe-

riod is cormally on overtime. There

cleaning and repair.

ELECTRICITY POWER workers in though the approach of warmer

have rejected an improved offer seasoo wheo individual boilers worth 6.2 per cent oo basic rates within stations are closed down for

in a few weeks to the shutdown of is great pressure to complete it as

two or three generating stations. Al- quickly as possible in order to get

Power industry faces ban on overtime

would still be able to remain in the dividual unions. union of their choice.

Although the proposed arrange-ment would be carried out only with the agreement of all the unions conceroed, the EEF makes no suggestion to member companies about which recognised unions they should choose. The arrangement that it is suggesting is similar to one adopted by the South Walesbased Japanese company Hitachi, which went from six unions to recognising only one, the EETPU

That caused considerable inter-

though the approach of warmer weather will not be on the unions' side, one factor running to their faside, one factor running to their fawill not work this overtime, forcing of the work, and so they are likely

tions, many of them less efficient,

and so more costly to run. This will

hit the industry rather than the

Union leaders accept privately,

consumer.

placed instead with only one union. draft agreement suggests an altera-Unions which lost recognition ative proposal of a joint bargaining would still be able to represent individual members in their own specific grievances, and union members cut out separate negotiations by in-

> Union responses to the proposals are not yet clear. They may not sit easily with the Trades Union Congress's (TUC) own new provisions on single-union agreements. First signs of union reaction are likely to come when the progress of the oe gan's airstrike on Libya. gotiations is reported to next month's CSEU annual conference.

Other proposals suggested by the EEF include a move towards cashless pay, an ending of demarcation lines on the shop floor and a reduc-

Capital projects - mainly work for the Ceotral Electricity Geoerat-

ing Board - could also be hit as will

emergency arrangements are ex-

### Tourist authority in £1m campaign to woo US visitors

THE BRITISH Tourist Authority pop star, entertainer, author and paign to bring back US tourists to sin; Britain.

Announcing the decision yesterday. Mr Duncan Bluck, BTA chairman, said Americans had concelled a substantial number of bolidays in the UK since the escalation of ter-

Mr Gerry Marks, commercial counsellor at the US Embassy in Londoo, said the cancellations had "given Gadaifi a victory by creating quasi-ecocomic boycott of Brit-

The campaign will focus on the slogan "Britain speaks your lan-

guage.

This was to emphasise not just the literal words but also the close link between the two countries, especially in the light of the British the overseas visitors, 25 per cent Government's support for the US came from the US and 75 per cent over Libya, said Mr Lewis Roberts, from the rest of the world. BTA's marketing director for North .

The action plan will include: ● Between \$1.2m - \$1.5m to be speot on advertising in the US; cities, including New York, Wash- visitors a year, has also suffered out-of-hours repairs. Stand-by and

(BTA) is to spend Elm on a cam-renowned American living in Brit-

 An increase in the number of visits to Britain by US broadcasters and American travel agents.

The cost of the campaign would be well worth it to protect the UK's rorism in Europe and more particu-tarly since President Ronald Rea- Mr Roberts said Last year these earnings, excluding airfar amounted to just under £1bn.

He said the US market represented the biggest single foreign market source and was therefore very important to the UK. But he stressed that it was vital to see this

In "visitor spend terms" the total turnover from all sources last year was £13bn, 50 per cent of this com-ing from the domestic market. Of

Most of the cancellations reported by airlines and hotels are of groups rather than individual tra-vellers, particularly groups of schoolchildren and students. The • A promotional mission to US incentive market, normally 100,000 ington, Los Angeles, Dallas and cancellations as sponsors do not Chicago, by a group including a want to face the possibility of biga-leading British fashion designer, tion in the event of an incident.

### Beazer restructures

C. H. BEAZER (HOLDINGS) Mr Kelly was with Landarn-bas restructured its board Mr Euro, where he was board director with particular responsible managing directors responsible ment. for contracting, and nomes and property activities respectively. Mr Alam Chapple becomes finance director, retaining the office of company secretary, and Mr Bill Bradshaw becomes assistant company secretary.

Mr David Coombes, sales director of Borough Plating, a wholly-owned substdiary of THE NORMAN HAY GROUP, has been appointed to the main board. Mr Coombes pioneered the plating of plastics in Britain.

A reorganisation of ROCK-WELL AUTOMOTIVE (UK)'S Thompson division has resulted in Mr Geoffrey Bicknell, previously director of sales and marketing, being appointed managing director of the division which has been re-named motor pressings division. Mr Michael Evans becomes manufacturing director, Mr Tim Bell finance director, and Mr Terry Ball personnel director.

Mr R. B. Parkinson has left PORTSMOUTH AND SUNDER-LAND NEWSPAPERS to become company secretary with a new national newspaper—The Inde-pendent—and Mr T. F. Lake is being appointed company secre-tary in his place. Mr Lake was assistant company secretary.

\* COUNTY SECURITIES has appointed Mr Rob Themas as managing director of County Australia Securities and Mr Revin Crotty as director of County Securities. Mr Thomas will be responsible for the establishment of an Australian stockbroking operation based in Sydney, Melbourne and London. Mr Crotty is to establish and lead the Australian equity sales operation in London with responsibility for the marketing of Australian securities internationally. Initially he will be based in Australia to assist the local development phase. Both local development phase. Both were formerly partners in Potter Partners.

Mr Richard Evans has been appointed managing director of THE RAWLPLUG COMPANY; part of Williams Holdings. He joined Williams Holdings in February as managing director



Mr Richard Evans, Rawiplug managing director

of Spencer Clark Metal Industries, another recent acquisition.

Previously, Mr Evans was director of the MEDICAL SICKNESS SOCIETY; and Premanaging director of British Alcan Consumer Products. He was also managing director of SICKNESS FINANCE CORTHANDOR TO PORATION.

Which produces DIY double which produces DIY double glazing kits.

Mr Hugh Whitcomb has been appointed general manager of ITN. He succeeds Mr Paul Matthews who recently became deputy chief executive. Mr Whitcombe was managing editor of ITN. Singe 1981 be has been chairman of the TV News Working Party of the European Broadcasting Union.

European distributor of the Keyword document conversion system which integrates incomsystem which integrates 11-com-patible word processing systems has appointed fir Alan Walkman as managing director. He was previously market, planning manager with ICL. Mr Nick Newman becomes finance direc-tor and company secretary. He joined from ICL where he was controller of training zervices. controller of training services.

The following have been appointed to the board of N. M. ROTHSCHILD AND SONS: Mr Malcolm Alsh, Mr William Staple and Mr Philip Swaman.

ROYAL DOULTON has appointed Mr Strakes V. Edwards as personnel director. He had been director of personnel



sonnel director of R Doulton

services of the company's manufacturing and trading subidiary Royal Doulton UK) since 1984.

Following the recent merger of Roderic Unger and Associates with Executive Selection Associates, Mr. R. J. Unger has joined the board of EXECUTIVE SELECTION ASSOCIATES. Mr. J. W. Rusch, a director, becomes company secretary. company secretary. . . .

Mr. John Herrin, group chief executive of Crystalate Holdings, has become president of the EUROPEAN ELECTRONIC COMPONENT MANUFACTURERS ASSOCIATION, which is based in Brussels.

Mr Roger Williams, of Coin-a-Drink has been elected chairman of the AUTOMATIC VENDING ASSOCIATION OF ERITAIN for the year 1936-57 with Mr Christopher Thomas of B eak-mate re-elected as treasurer.

BIFFA WASTE SERVICES, specialist waste disposal subsidiary of BET, bas appointed Mr Mark E. Aldridge as managing director. He joins from the ESAB Group. The appointment follows the resignation last December of Mr R. C. Biffa as chairman and managing director of Biffa when he led a management buy-out of Biffa's fellowment buy-out of Biffa's fellow-subsidiary, Re-Chem Inter-Re-Chem Inter-

NORCROS bas appointed Mr G. E. Burton to the board of subsidiary Adderley Green Tiles as sales and marketing director, and Mr M. Heward to the board of subsidiary H. and R. Jobnson Tiles as marketing director.

BUNGE AND CO has appointed Mr David Airey as deputy managing director from July 1. He is at present managing director of Bibby Edible Olls, FIRST COMPUTER has appointed Mr Michael Kelly as marketing manager. He takes over from Mr Ian Stater, who is leaving to pursue other interests.

### FREEFONE GAS FUEL OF THE FUTUR

- according to the unions' tactics - to make local-level approaches to

management to bring in other sta- the contractors concerned

however, that managements could empted from the ban.



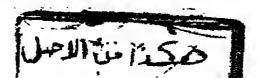
### HOTEL HEATING

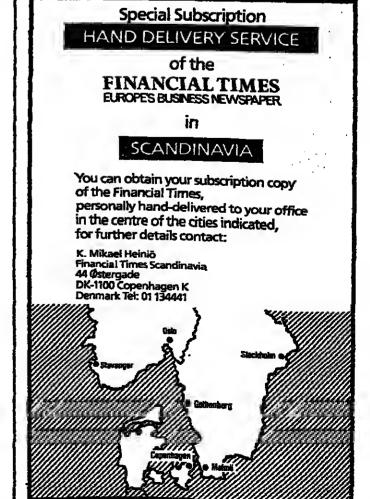
Whether your hotel has 4 beds or 450 beds, the question of heating and hot water is vital to your guests' comfort, and therefore to your profits.
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British Gas THE FUEL OF THE FUTURE





### **UK NEWS**

### Taskforce proposed for retailers and industry

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

A TASKFORCE to improve links operation between retaining tour-between British retailers and man ism, travel, sport and entertain-such as microwave ovens, video reufacturers was proposed yesterday by Mr Tom McNally, director gen-eral of the Retail Consortium, which represents most of the large retailing groups.

Mr McNally, speaking on the opening day of a Financial Times conference on "Partial Industry c conference on "Retailing to 1996," said that the taskforce could improve the quality, design and com-petitiveness of British-made prod-ucts. He suggested that Prince Charles might be invited to lead it. Given his known interest in both design and the future of British industry. I would suggest that Prince Charles would be the ideal choice to head such a taskforce," he said.

Mr McNally called for strainer to

Mr McNally called for retailers to
be given a more central role in government economic, thinking. "We

Mr Mark Souhami, managing dihave to present with vigour the full rector of the Dixons Group, told the picture of the industry's role in the economy," he said. "We have to assemble our facts, do our research There is no shoplitting or advertisand then he prepared to fight our ing so lancy that it can make a poor corner in Brussels and Strasbourg merchandise proposition sell and, in Whitehall or Westminister, and cooversely, if the merchandise in town halls up and down the coun-proposition is right theo everything

He also called on the Government to appoint a senior minister of tain" that by 1996 the merchandise leisure within the Department of ranges for successful retailers

current unpopularity with voters.

vative Party at its annual confer-

Illiary Terry losses in last water regional council elections brought

Scotland and presented Mr Rifkind with a formidable task to rally Tory

a question of the complexion of a care.

the party's support to a low ebb in phenomenor

MR MALCOM RIFKIND, the Sec-particular government.

reatary of State for Scotland, yes-terday made a frank acknowledge-

ment of the Conservative Party's tably pays a political price for it," he

"We cannot conceal or hide the employment at 25 per cent in So-fact that we have lost support, that cialist Spain and at unprecedented

we have lost ground, over the last ly high levels in France, Belgium

few months and over the last year and Germany, then we are entitled or so," he told the Scottish Conser-

representatives. His approach was their complaints and he listed the

to accentuate the positive. Conservative achievements in Unemployment, he said, was not youth training, housing and health

On the issue of Sunday trading. which has caused controversy within the consortium because of differ-

FINANCIAL TIMES **CONFERENCE** 

Retailing to 1996

else will fall into place." He said it was "absolutely cer-Trade and Industry to increase co-would have changed dramatically.

said. But at a time when we see un-employment at 25 per cent in So-

government in question - whether Conservative, Socialist, Liberal,

Caristian De ancret or whatever -

can clearly not be the cause of this

Mr Rifkind said party followers should ask critics to be specific with

corders, and personal stereos were

not on the market. Mr John Richards, a senior analyst with stockbrokers Wood Mackenzie, told the conference that the spote of mergers in retailing was only at the beginning. We have still seen only the tip of the iceberg in what amounts to a fundamental

restructuring of the retail industry.

Mr Edward Whitefield, chairman of Management Horizons, suggested that town centres could still hope to survive io face of competitioo from out-of-town retailers.

Mr David Stewart, development

director of the Conran Design Group, pointed out that the design henomenon was "far from having ad its day. Mr Nick Aspinall, managing di-rector of the Retail Group, suggest-ed that there were considerable op-portunities for entrepreneurs to de-

usually leisure-based - in secon-dary sites where these ideas could be tried at a low cost. Other speakers yesterday were

velop specialist retail concepts -

Mir Robert Tyrell, managing direc-tor of the Henley Centre for Fore-casting, and Dr Russell Schiller, head of research at Hillier Parker

"We have to accept that in certain

shared by the rest of Europe.

Minister says Tories paying price for high unemployment

> respects our policy on public ex-penditure has created misunderstanding and led to possible loss of political support in certain areas,"

It was abourd, Mr Rifkind added, of critics to say that somehow Prime Minister Margaret Thatcher presented a problem for Scottish Tories and he pointed to her two past consecutive election victories. Lord Young the Secretary of State for Employment, echoed Mr Rifkind's assertion that Britain's unemployment problem was one

He pointed to positive results from the Government's restart programme initiated this year at Job Centres.

### Euro court upholds sex bias challenge

By Raymond Hughes, Law Courts Correspondent

UK COURTS cannot be stopped discrimination in employment by a mere assertion by a government muoister that the discrimination is justified on national security, public safety or public order grounds, the European Court of Justice in Lux embourg ruled yesterday.

An EEC equality directive re quires that anyone with a complaint air his grievance in court. That meant, the Luxembourg judges said, that evideoce about the national security factor had to be given to the court, which could then make up its own mind about whether the discrimination was jus

The ruling, which will be closely studied in Whitehall, was made on a challenge that followed a decision by the Chief Constable of the Royal Ulster Constabulary (RUC) to ban

women officers from carrying guns. Because of the ban, and the fact that there were sufficient women officers to carry out general duties, the contract of a woman member of the RUC Reserve was not renewed.

Her complaint to a Belfast indus trial tribunal that she was the vic-tim of sex discrimination was halt-ed by a certificate from the North-ern Ireland Secretary stating that she had been refused further employment with the RUC on national security, public safety and public order grounds.

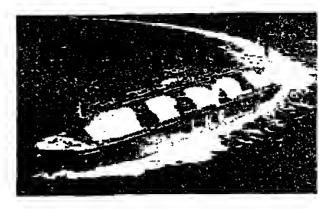
Under the 1976 Sex Discrimination (Northern Ireland) Order, such a certificate is conclusive evidence and no further justification can be

The European Court said that the equality directive allowed women to be excluded from certain jobs for their own protection, particularly on grounds of pregnancy or mater-nity. However, the court said, that did not mean they could be excruded from employment "tude the guise of protection."

The case will now go back to the Belfast industrial tribunal which will be able to call for evidence of the basis for the minister's national security justification for the refusal to re-employ the woman.









US\$105,000,000

for the

### LNG carrier "GOLAR SPIRIT"

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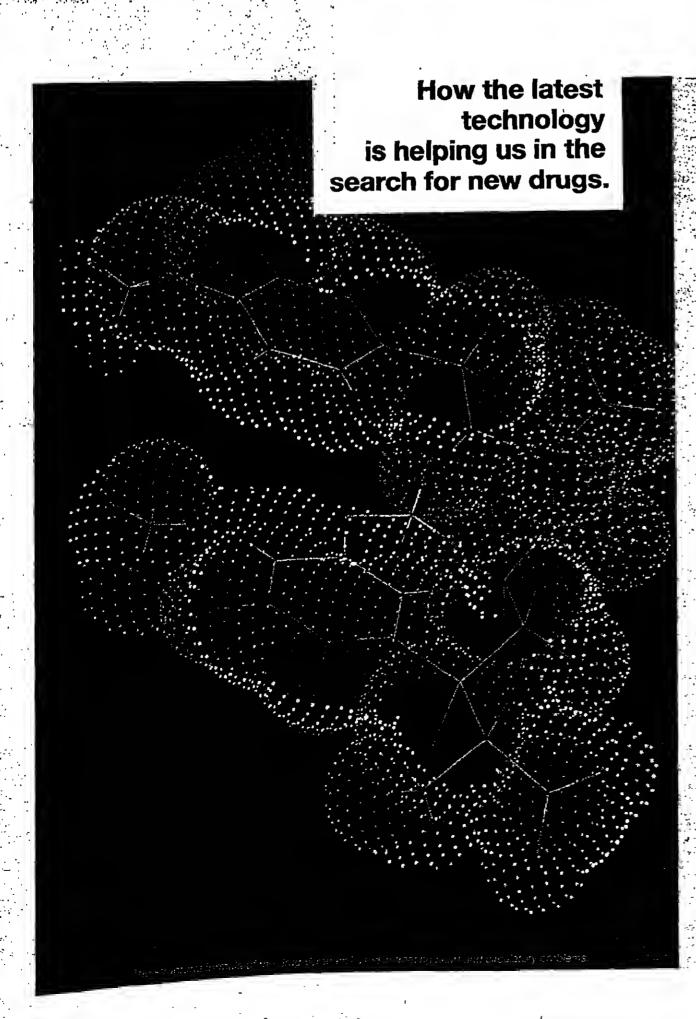
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Even today we can cure only a third of the world's diseases. Developing a new drug involves manufacturing and testing the effectiveness of over 10,000 different substances. It's an expensive operation because a successful drug must not only be effective, but safe to use, as well:

One particular problem always arises when developing any new drug; at the site of action, the active molecule is confronted by a complex structure into which it must fit like a key into a lock.

However, as very little is known about the exact shape of these molecular "keyholes" and since predicting the dimensional structure of any new substance is extremely difficult, success is not often achieved.

However, the increasing use of the computer is breaking new. ground in drug research. A computer can plot the dimensional structure of a molecule in advance and even the most complex molecular structures can be dis-

played three-dimensionally on an a screen The computer then \_\_\_\_\* attempts to relate potency to structure from the known structural data of chemical compounds and the results of biological tests

This new and exciting develop ment is still in its intency

But hamessing the power of: the computer brings us closer to our prime objective of improving known treatments and discovering new ones. Cruc research programme thas developed techniques in which a range of scientific disciplines are brought together in a manner which transcends the traditional restrictions.

New chemists, doctors, pharmacists; physicists and computer experts are working with us. and beginning to achieve major breakthroughs.

**BASF Computer Aided** Research: producing better solutions faster.

centrating on what the company

The immediate impact of the

programme has heen reinforced in several ways. The academics have been called in several times by ICL's executive chairman, Peter Bonfield, and by

other senior manegers, to run special educational sessions on

particular issues. The duo has also conducted a number of con-

sultancy assignments, including helping adapt ICL's strategie

planning process to take account of their concepts of global competitiveness and organisational capability, so that they become deeply embedded in ICL's pro-

All the same, the programme

Roger Hill's own follow-up to

tomers had been us resourced," concedes Hill,

cedural woodwork.

64

Jean-Claude Alhrecht, who

participants was its unusual

business

The three lower tiers o courses, which were launched at roughly the same time, were

also designed to give a sharp

jolt to everyone's perceptions of what it would take to stay competitive in the international electronics industry through the late 1980s and beyond. "All

late 1980s and beyond. "All four levels aim to give our managers a much wider strategic picture," says Ray Fields, the "champion" of the educa-

To back up these broad programmes, a full set of strategic end marketing techniques is provided by a comprehensive

range of continuing marketing

courses for all levels of manage-ment, from the very top to

the bottom, There is also a wide range of specialised "skill-

learning" courses, in such subjects as motivation, sales

courses.

tion drive.

MANAGEMENT education does different bings for different people. Roger Hill makes no bones about what it did for him. "It plunged me into total

Hill is the marketing director of ICL UK, and was one of the first to undergo the trauma of ICL's challeoging development programme for senior macagers. and countries, most of whom "It blew my mind at the huge had never even met hefore-"It gap between where we were has created much more cohesion and where it showed we needed in the way we all deal with to be. I came off it totally strategic and organisational hooked on what had to be done, issues," agrees Don Beattie, but even more desperate than ICL's personnel director. before at the fact that ICL was in trouble but didn't realise it." trouble but didn't realise it." heads ICL'a operations in Hill is one of many semor France and southern Europe,

ICL executives who bave been is equally complimentary. A deeply affected by the comformer IBM executive, and pany's week-long programme on therefore one of the few people "managing strategic capability." at ICL who can make a first-Launched in early 1984, about hand comparison with the 180 of ICL's senior cadre have famously high quality of man-180 of ICL's senior cadre have famously high quality of mansince attended it, 20 at a time.

Nearly 1,600 less senior Blue," he says the course "was managers have been on one of the three lower tiers of ICL's "Management Programme." the overall title for all four courses.

The purpose of the prosecution of the prose

The purpose of the programme, as was outlined in earlier articles in this series, was to give a dramatic lift to ICL's competitive performance. design: The academic team first immersed itself in ICL and its ICL's competitive performance.
After its emergence from nearbankruptcy in 1981-82 the company had gone through ao
organisational and leadersbip
hiatus which only hegan to he
resolved in late 1983 with two
fundamental decisions: to
replace the old functional
organisation by a decentralised,
matrix structure hased on problems for several months; • The course focused on key industry issues and strategic concepts, rather than on the latest management techniques; It was attended by virtually all ICL's senior managers in less than 18 months. Many commatrix structure hased on "business centres"; and to create an ambitious managepanies just send a few mana-gers away each year to general ment education drive which

would force a sea-change in managers' attitudes to the company, its customers, its competitors, its strategy and its organisation—which would, in short, lift it to a much higher On all counts, the "strategic capability" programme seems to have justified its grand name. Alan Rousell who, as managing director of ICL UK, is Hill's immediate boss, is a self-con-fessed sceptic about manage-

ment development. "I shudder every time I hear the word training," he says. He only went on the course-much later than Hill-" because it was my duty, and all my immediate staff said they wouldn't work with me unless I did." But it had a dramatic effect on him. Rousell describes the course as "one of only two I've

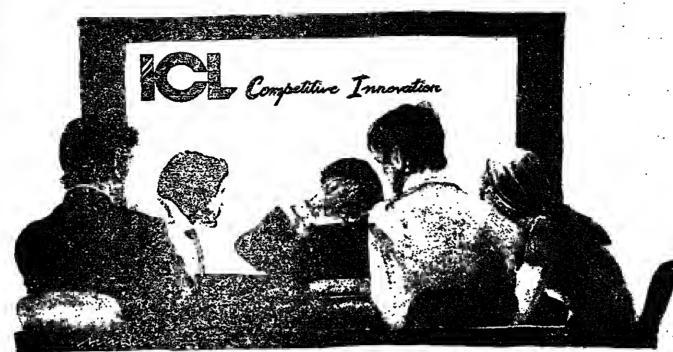
ever attended that have been worthwhile in setting the pattern for the way I manage." The first, 20 years ago, was on management by objectives.

Rousell considers the outstanding henefit of the programme to be the creation of a common language among managers from different functions and Language among management functions are provided in the University of Michigan, Gary Hamel, and American based at the London Business School, and Language among management functions.

### Corporate Renewal

### How saturation training has focused the made of every presentation by the working groups on each course. Videos from past courses are then viewed by the next set of participants. "The presentations on the first three programmes were very backward-looking, conmind to dramatic effect

Christopher Lorenz concludes his series by explaining how crucial was management development to the UK computer company's revival



On all counts, the "strategic capability" programme seems to have justified its grand name

who in 1985 rejoined the Boston Consulting Group.

Prabalad and Hamel's farreaching analysis of the strate-gic thinking and organisational capabilities behind the competitive success of Japanese companies has attracted widespread panies has attracted widespread attention over the past 12 mooths, among business people as well as in the academic world (see "The dangers of home comforts," and "How the Japanese write their own rules of the game," this page, July 24 and October 11 1985).

techniques, and so on.
The three academics who, with ICL, designed the top management course, and bave taught most of it, are Professor One of their central arguments is that most western companies bave feiled to master the techniques of competitive innovetion—that is, finding new ways to compete which catch their adversaries off guard. The their adversaries off guard. The tice this dauntiog set of skills, tional capability is stressed over duo also complains that many though in very different ways and over again on the course. western companies have still (IBM and Matsushita), and of "The job of the general

not come to terms with competing to a global marketplace.

Just as dangerously, say Prahalad and Hamel, they tend to content themselves with foilowing just one so-called "generic strategy," such as low-cost leadership or differentiation. The Japanese, on the other hand, build several layers of competitive advantage upon each other, including organisa-tional effectiveness. Nor do many western companies possess a clearly expressed and consistent long-term "strategic intent" that focuses the energies of the company, and yet lets it behave flexibly and opportunistically.

By using case stodies of a couple of companies which prac-tice this daunitog set of skills,

others which have manifestly failed to do so (such as EMI), the "Stage 4" programme provides a clear target of bow a strategically capable organisation should operate io the fastmoving and complex electronics

The course also demonstrates the means by which this target can be reached; it suggests, for example, how managers can grapple with all the unpredic-ability of young, turbulent industries; it sensitises them to the need to link strategy, plan-oing and organisation; and it proffers ways of managing organisational change in a comny as complex as IBM (or

This emphasis on organisa

manager should have as much to do with organisation as with strategy," argues Gary Hamel. "Most managers still think that organisation design should be a staff function.

Not surprisingly, perhaps, in view of IBM's dominance of the computer industry, the subject which always provokes the most controversy on the course is IBM's corporate values 20d organisation processes. "Most ICL managers here perceived IBM's competitive advantage only in terms of its technology, rather than in its way of organising people," says Hamel,

But bow much impact can any one-week course make, no matter how high its quality? In order, as Hamel puts it, "to weave a thread of shared perspective right through ICL's senior management," videos are

I could never have created the thought process that gave me the confidence to do it if I hadn't attended Stage Four," Hill claims. He considers that the change was responsible for much of last year's near-30 per cent surge in ICL UK's intake of orders.

of orders.
On the other side of the organisation matrix from Hill's geographic sales company, the manager of ICL's retail business centre. John Davison, credits the Stage Four programme with two main changes in the way he runs his organisation.

"I carry these two thoughts around in my mind all the time

now — they create the pattern of work here," he says.

First, "it crystallised my realisation that different companies need different organisacentrating on what the company had done wrong," says Gill Ringland, manager of ICL's office systems business centre, who took part in the seventh programme in late 1984. "By the fourth one, things had improved and people were beginning to look to the future."

The immediate Impact of the tional approaches et different stages in their development. It helped me get people's hearts and minds behind the need for change, and it taught me to put a lot more time and effort into preparing for it. It also taught me to be more patient — change sometimes has to be engineered progressively, not suddenly.'

Second, "I understand clearly Second, "I understand clearly for the first time how the Japanese approach global markets, and what the strategies of the companies we deal with are likely to be." As the chief coordinator of much of ICL's fast-growing business in computer terminal systems, Davison has forged quite a number of collaborative ventures in the

past few years—some of them with Japanese partners.

"We now have strategies that anticipate their tendency to has been so successful and has excited such a high level of expectation of the organisation's new ability to perform, that many senior managers are now calling for a more orchestrated series of follow-up courses and meetings for staff beneath them, Bonfield himself is scutely move into the market alongside move into the market alongside us," he says. For understandable reasons, Davison prefers not to elaborate. But Peter Bonfield speaks for the whole of ICL when he says that Prahalad, "Hamel and Mc-Kenzie's work has prompted ICL to take much more care in the management of collaborative ventures. "We are forcing aware that "you have got to reinforce these things about every six months — otherwise expeciations are frustrated and the effect disappears," A decitive ventures. "We are forcing people to look at the issue slon will be made in the next few months about how best to follow-up the Stage Four teach-ing. There is likely to be some much more clearly, including asking themselves the question What are you doing to protect input from a apecial research vourself? project now under way into the challenges that European computer companies will face in the 1990s.

Eveo if the "Stage Four" programme had done nothing more than teach ICL not to fall into the common western trap of becoming prey to its his desperation back in 1984 was characteristically direct. "I saw that the key to changing the organisation's performance was to change the organisation." Japanese partners, it would have been worth the investment. But it has done very much more besides. If ICL continues to survive against the he says. Withio a few months he had begun the process of player in the fast-changing focusing the attentions of ICL's global electronics industry, it own salespeople onto about will be partly thanks to those 1,000 strategically important week-long traumas which Roger salespeople conto about will be partly thanks to those strategically important week-long traumas which Roger are in specialised mar-"Until then these cus- and 1985.

tomers had been under Previous articles in this series resourced," concedes Hill, appeared on Monday and It was a costly reorganisation. Wednesday.

### Company Notices

**UNILEVER N.V.** 

DIVIDENO ON CERTIF Final dividend payments in respect of the year 1985 will be made on or after 27 May 1999 as follows:--

SUB-SHARES OF PL 12
IN THE NAME OF MIDLAND BANK EXECUTOR AND TRUSTEE COMPANY LIMITED NOW MIDLAND BANK TRUST COMPANY LIMITED
A dividend, Serial No. 116 of FL6.096 per sub-state, equivalent to 160.3999p converted at FL3.8005 = £1.
DUTCH ORADOS = 2.

converted at FL3,8005 = £1.

DUTCH OVIDEND TAX relief is given by cartain Tax Conventions concluded by the Nothertands. A resident of a convention country will, generally, be fable to Outch dividend tax at only 15% [FL0.9144, 24.0600p per sub-chare) provided the appropriate Dutch examption form is submitted. No form is required from tilk residents if the dividend is claimed within six morths from the above dete. If the sub-chares are owned by e UK resident and are effectively connected with a business carried on through a permanent establishment in the Netherlands. Dutch dividend tax at 25% (FL.1.524, 40.1000p per sub-share) will be deducted and will be allowed as credit against the tax payable to not profits of the establishment. Residents of non-convention countries are liable to Dutch dividend tax at 25%.

LIK INCOME TAX at the reduced rate of 14% (24.0600p per sub-share) on the copper.

UK INCOME TAX at the reduced rate of 14% (24.0600p per sub-share) on the gros amount will be deducted from payments made to UK residents instead of at the basic rate of 25%. This represents a provisional allowance of credit at the rate of 15% for the Outol childrent tax already withheld. No UK income tax will be deducted from payments to non-UK residents who submit an Inland Revenue Affidavit of non-residence in the UK. To obtain payment of the dividend sub-share certificates must be listed on Listin

nnenwer rom: — dand Bank plc, Stock Exchange Services Dept., Meriner House, Popys Street London, EC3N 40A Northern Bank Limited, 2 Waring Street, Belfast BTI 2EE Allied Irish Banks plc. Securities Dept., Stock Exchange, Bel Dublin 4 Chydesdelle Bank PLC, 30 St Vincent Place, Glasgow.

Separate forms are available for use (a) by Banks, UK firms of Stockbrokers, Solicisor of Chartered Accountants (b) by other claimants. Notes on the procedure, in each case, as

printed on the forms.

DUTCH CERTIFICATES OF FL.1000, FL.100 and FL.20

A dividend of Fl.10.16 per FL.20 against surronder of Coupon No 119. Coupons me be encashed through one of the paying agents in the Netherlande or through Midland Barripic, in the latter case they must be liqued on the special form, obtainable from the Barli which contains a declaration that the certificates do not belong to a Metherlands resident instructions for claiming relief from Dutch dividend and UK income tax are as set out above except that UK residents liable to Outch dividend tax at only 15% must submit a Dutch dividend form Dutch dividend tax at 12, 54 at 25%, and El. 1504 at

opt that UK residents liable to Outch dividend tax at only 15% must submit a Dutch reption form. Dutch dividend tax on this dividend is FL2.54 at 25% and FL1.524 at 15%. The proceeds from the enceshment of coupons through a paying agent in the Nepherlands will be credited to a convertible floring account with a bank or broker in the

Netherlands.

A statement of the procedure for claiming relief from Dutch dividend tax and for the enceshment of coupons, including names of paying agents and convention countries, can be obtained from Midland Bank pic at the above address or from the London Transfer OTICA.

N.V. NEDERLANDSCH ADMINISTRATIE- EN TRUSTKANTOOR
London Transfer Office, Unifever House, Blackfriers, London EC4P 48Q.
14 May 1986.

### PROVINCE DE QUEBEC Loan FF 125 000 000,-71% - 1972/1987

Bondholders are hereby informed that the redemption Instalment of FF 15,000,000 due on June 1Sth, 1986 hes been met by a draw by lot in the presence of Madame Jeanne Housse, Notary Public in Luxembourg. Consequently, the 3,000 bonds of FF 5,000 numbered:

22787 to 25000

and
I to 2401
inclusive, taking eccount of numbers elready drawn for preceding instalments, will be redeemable at par, coupons et June 15th, 1987 end subsequent etteched, as from June 15th, 1986 date et which they will cease to beer interest.

Redemption and payment of interests.

Redemption and payment of interest will take place at the following banks:
CREDIT LYONNAIS, Luxembourg — CREDIT LYONNAIS, Paris —
ALGEMENE BANK NEDERLAND NV, Amsterdam — BANCO DI
ROMA, Rome — BANQUE DE PARIS ET DES PAYS-BAS, Peris —
COMMERZBANK AG, Francfort/Main — KREDIETBANK NV,
ROYNING — ILONGE BANK INTERNATIONAL LEGISLANK NV,

COMMERZBANK AG, Francfort/Main — KREDIETBANK NV, Bruxelles — LLOYDS BANK INTERNATIONAL LTD. London. It is recalled that the following bonds previously drawn by lots, have not yet been presented for repayable in 15.6.1986: \$299 to 5.73, \$256 to 5.287, \$306, 5310, 5382, 5899 to 5730, 5761, 5802 to 5803, 5816 to 5820, 5823, 5338 to 5840, 5844 to 5846, 5895, 5861 to 5865, 5901 to 5903, 5823 to 5338, 6033 to 5044, 8061 to 6094, 6136, 6167, 6174 to 6182, 6187 to 5174, 6306 to 6307, 6312 to 6314, 6322 to 6327, 6330 to 6334, 6333 to 6360, 6333, 6666, 6891 to 6698, 6707, 6703, 6790 to 6782, 6826, 6825, 6889 to 6892, 7012 to 7013, 7022 to 7023, 7136, 7223 to 7234, 7243, 7322 to 7324, 7331, 7337, 7375 to 7338, 7349 to 7323, 7491 to 7423, 750 to 7770, 1776, 1776, 7804, 17809, 7885, 7903 to 7911, 7913 to 7916, 7325, 7338 to 7942, 7944 to 7945, 7857, 7974, 7979 to 7880, 6020, 8022 to 8023, 8030 to 8033, 8055 to 8065, 8034 to 8035, 8124 to 8132, 8148 to 6764, 8185 to 8194, 8211 to 8215, 8250 to 8302, 8306, 8314 to 8315, 8350 to 8352, 8511.

Outstanding emount after this nineth emortisation: FF 17.000.000

The Fiscal Agent CREDIT LYONNAIS LUXEM8OURG

### THE FINANCIAL TIMES

is proposing to publish a Survey on

### THE WATER INDUSTRY

July 9 1986 For further information, please contact: MARK FISHER

on 01-248 8000 ext 3389 Publication date is subject to change at the discretion of the Editor



 Vehicle Distribution and Marketing Geneva, 28 & 29 May, 1986

Distribution and marketing have been less effected than other functions by the dramatic developments sweeping across the motor industry. This is due to change as so major, a cost centre comes under increased scrutiny and the 1986 FT Motor Conference is devoted exclusively to this significant and increasingly topical subject.

Mr Paolo Bernadelli Vice President, Sales & Marketing Fiat Auto SpA

Mr Weiter Frey Emil Frey AG

Group Director Europe

— Aftermatket & Communications
Bendix Group Mr John Hambly

M. Gabriel de Berard

Division Vice President & General Manager Hertz Europe Limited

Mr Fabian Linden Executive Director Consumer Research Center The Conference Board Inc

Mr Sten Wennlo Vice President, Car Division Saab-Scania AB

Mr Victor Dial Commercial Director Automobiles Peugeot Mr Martin Swig

President San Francisco Auto Center Mr Donald Kress

Vice President Booz-Allen & Hamilton Inc Dr John Treasure Vice Chairman Saatchi & Saatchi Compton Ltd

Mr Don McCrickard Managing Director United Dominions Trust Ltd

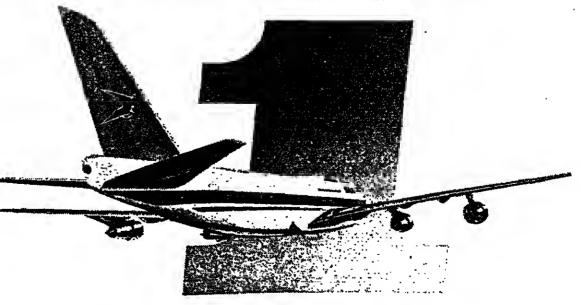
The 1986	To: Financial Times Conference Organisation Minster House, Arthur Street, London EC4R SAX Tel: 07-621 1355 Tb: 27347 FTCONF G Name	
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More non-stop flights. Plus far and away the best wine on

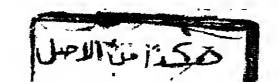
the route, says Business Traveller Magazine (World Airline Wine Survey).

More than ever, SAA is the No.1 way to South Africa.





Call S.A.3: 251 Regent Street, London WIR 74D, Tel: 01-714 9541. Or Waterloo Street, Birmingham Tel: 021-643 9605. Peter Street, Manchester. Tel: 061-834 4436. Hope Street, Glangow Tel: 041-221 2932



# NCR introduces a number of a number of innovations. The 9800.

# The evolution of the mainframe.

You've probably heard a lot about the computer revolution.

But revolution is not the best way for a computer to change.

Evolution is. And the new NCR 9800 is a perfect example.

We've taken the best of current technology and combined it with our own best thinking.

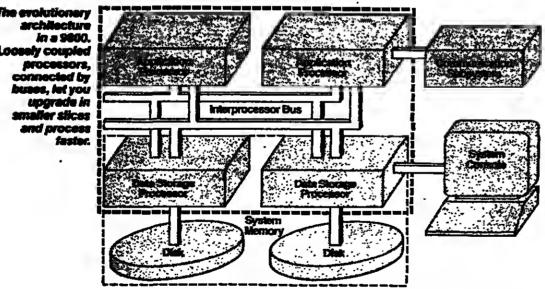
The result is a faster, more economical, more flexible computer that's unlike anything ever built.

### BEGIN AT THE BEGINNING.

Say you're a manufacturing company and you need a computer to control your production. The 9800 can help you make quicker

The 9800 can help you make quicker decisions than a conventional mainframe of comparable power.

And do it less expensively. The secret is architecture.



In fact, ingenious architecture is the secret to everything it does.

### IT GROWS OR IT GROWS.

The 9800 doesn't have to be upgraded in large pieces.

It grows gradually, the way a business grows.

You start with the power you need, and then you can expand in smaller increments than is possible with conventional mainframes.

Furthermore, you can add job-specific modules to handle specific functions.

### RUN, RUN, RUN.

The 9800 is hard to break.

It uses a new, more intelligent fault-tolerant system that doesn't need tricky programming.

Once you set it up to be fault-tolerant, it'll run if a piece of hardware fails. Or software.

Or even during routine maintenance and

Or even during routine maintenance and upgrading.

The 9800 was built to be an excellent online transaction processor, and an excellent general purpose processor.

And using job-specific modules, it can be tailored to do both jobs more economically than a conventional mainframe.

### TALK, TALK, TALK.

It's an open system.

So the 9800 can work together with other computers you already own. (It uses SNA and X.25 communications.)

It also comes with popular software tools, like SQL and MANTIS,™ and you have a choice of many ready-to-run solutions for business.

Now, do you read the industry press?
Well, according to them, you can buy a computer like the NCR 9800, with its advanced architecture, that'll be just as flexible and economical from another computer company.

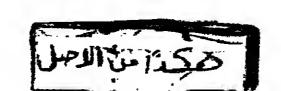
In about 1990.

For more information, call your local NCR representative.

NCR 9800. The evolution of the mainframe.



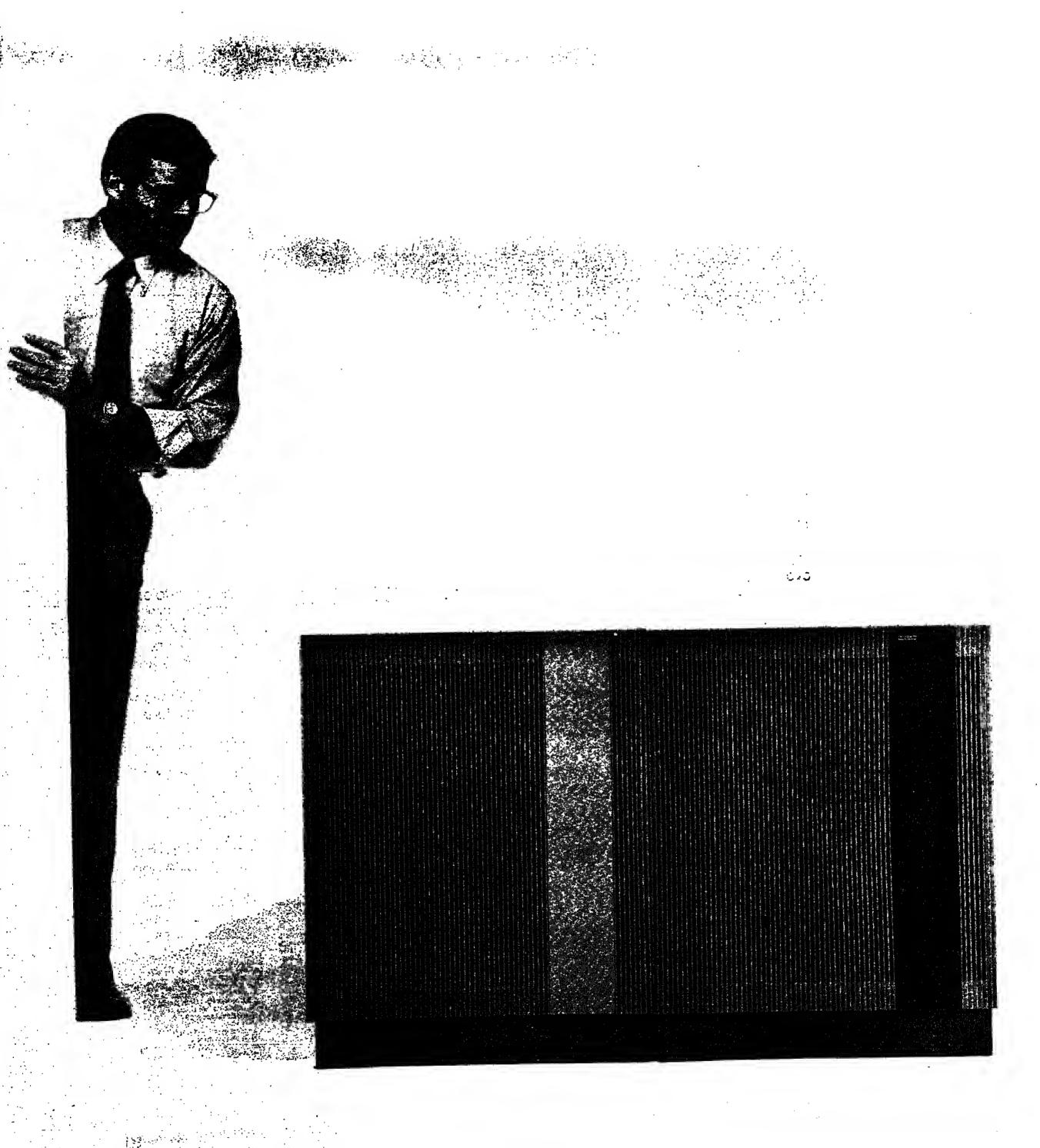
● 1986 NCR Corporation MANTIS is a trademark of Cincom Systems, Inc.



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eyo Station. (Thur). (271 1227).

**NEW YORK** 

ware, violin, Shigeo Neriki, piano,

Tancy Shelton, soprano, Fred Sherry, cello. Beethoven, Shostakovich,

cello. Beethoven, Shostakovich, Mandelssohn (Thur): Brooklyn

WASHINGTON

stiental Symphony (Concert Hall): Shigh Wolff conducting with Men of the Oratorio Society of Washington, directed by Robert Shafer. Beethov-

en, Stravinsky (Tue); Metislav Ros-trepovich conducting, Milton Ste

vens, frombone, Loren Kitt, Carmer, Dodhn Carter, herr, John Martin, cello. Lambye, Parris, Weber, De-bussy, Boccherini, Ravel (Thur). Kennedy Center (254 3778).

CHICAGO

Chicago Symphony (Orchestral Rall):
Kurt Mazur conducting, Edith
Wiens, soprano, and Chicago Symphony Chorus, Barh, Grieg (Thur).
(235-3717).

versaries undermined by an incon-venient revelation. Bill Fraser is a

drimken Falstaffian photographer and the couples are led by Timothy West and Primella Scales. The 1930 theatre has been beautifully repo-

es Off (Savoy): The finniest play

for years in London, now with an improved third act. Michael Blake-more's brilliant direction of back-

third rate farce is a key factor.

Antiew Lloys weeder's rollerskar-ing folly has 19 minutes of Spielberg movie magic, an exciting first half and a dwindling religion on indiscriminate rushing around Dis-

influences. Pastiche coore nods to-wards rock country and hot gospel. No child is known to have asked for

his money back (834 6184).

#2nd Strees (Drary Lane): No British
equivalent has been found for New
York's Jerry Orbach, but David Mer-

rick's tap-dancing extravaganza has been rapturously received.

(836 8108). Torch Song Trilogy (Albery): Antony

Torch Song Trilogy (Albery): Antony
Shar plays Harvey Flerstein's four
hour triptych of the life and loves of
a drag queen fighting for emotional
and, domestic stability. Truthful
playing has the effect of ernelly exposing Flerstein's tackily uneven
writing (8363878).
Lemon. (Astoria): A not too critical
relaboration of the life and music of

celebration of the life and music of

John Lemon that is enjoyable aspe-

cially for the musical resourceful-ness of the cast and Mark McGenn's

P 18 15

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A TALL Y

After the all the

vated\_ (930 7765)\_

ns, trombone, Loren Kitt clarinet

music (Fulton Ferry Landing): other music with Hameo Fuji-



### Exhibitions

The Hayward Gallery: Falls The Shadow - this year's Hayward Annual for the first time ext Europe. The Arts Council's guest selectors, Barry Barker and Jon Thompson, taking e hint from T.S. Eliot's ambiguous poem of the mid 1920s, The Hollow Men, abandon the principles of avant-gardism in favour of a more opeo as modernism. The result is an elegant, difficult and lascinating an-thology. Ends June 15.

From Rembrandt to Vermeer: 60 chefs d'œuvres on loan from the Maurits-huis trace a panorama of 17th-century Dutch painting with Ver-meer's View of Delit with genre paintings, still lives and landscapes. Grand Palais. Ends June 30.

Rasa - The Nine Faces of Indian Art. A hundred sculptures in stone, bronze and terracotta and some 200 ministures are divided into nine groups according to the sentiment they express the erotic, comic, path-etic, beroic, terrible, furious, hateful, marvellous and finally the serthus making Indian art intelligible to Europeans. Many of the culphures have been only recently covered, while most of the mi tures are seen for the first time. ais (4261 5410). Closed Tue, Wed late opening. Ends June

At the Court Of The Great Moghul: A parallel exhibition of Indian miniatures from Bibliotheque Nationale's collections, which have never been chibited before. Bibliotheque Na-onale, 58 Rue de Richelieu from 12am to 8pm all days, Ends June 16.

Dutch and Flemish paintings from the works represent the quintessence of Flemish art. There are the still lives with fruit or flowers so true to nature. There are the peasants har-vesting and drinking with equal gus-, painted by Pieter Brueghel the Younger in glowing colours and a vigorous line, as well as his misty winter scene with skaters, snow covered roofs and black crows in bare hranches, Jan Brueghel the Younger shows a crowd of villagers on a quayside, Do Jonckheere Gallery, 21 Qual Voltaire (426 12314). Ends May 26

WHEN the £180m joint Govern-

ment end industry Experimental

Aircraft Programme (EAP) makes its first flight next month

from British Aerospace's Warton, Lancasbire, airfield, it

will be the culmination of a research and development venture lasting several years, and designed to prove the capabilities of the UK aerospace

industry across a wide range of advanced technologies.

arenas:

These cover three broad

Advanced structural design

and manufacturing techniques, including the extensive use of carbon fibre composites end

other advanced meterials.

The "fly-by-wire" system of electronic control of an aircraft in flight to ensure extreme

agility in combat.

Development of an advanced

electronics cockpit aimed at relieving the work-load on the

pilot, enabling hlm 10 devote more time to fighting rather

than flying.

All three areas, although

initially of vital significance in military aircreft, also have far-

reaching long-term conse-quences for civil airliner

development.

The EAP is effectively a "technology demonstrator," and not a prototype fighting machine. It is the only aircraft of its kind in the UK—there is no plan to build a second

aircraft. A successful flight

altest programme is thus critically important, for hopefully it will prove that all the work done in these advanced technology areas over rerent years

Although the EAP was not intended specifically to be the prototype of the projected European multi-national combat

aircraft, now called the Euro-fighter, it will demonstrate many

of the materials end other tech-

nologies to be incorporated in the latter aircraft, and will

effectively stand in loco parentis

as a flight test vehicle until

the first Eurofighter prototypes themselvea become available around the end of this decade.

Many companies in the UK

aerospace industry have been involved oo EAP, including not

only the Military Aircraft Divi-

sion of British Aerospace and Rolls-Royce (whose RB-199

Rolls-Royce (whose RB-199 engines power the aircraft), hut

also Dowty, Ferranti, GEC

Avionics, Lucas, and Smiths Industries, together with com-panies in Italy and West

carbon fibre composites (CFCs) since 1970, when a batch of

entered service with the RAF.

fareolanes.

Since then, BAe's CFCs have

has been in the forefront of aircraft.
research and development of This

is on the right track.

19th century pastels: A renewed, revigorated use of the pastel crayon tech-nique, in complete breek with its nteel 18th-century tradition, gives sense ol immediacy to Delacroix studies, to country scenes by Millet and portraits by Manet. It catches the movement of Degas dancers and women at their toile1 and lights up Redon's inner visions. The Louvre, Pavillon Flore (4261 5410). Ends

Marie Laurencin: After a sbort flirtation with Cubism, Marie Laurencin. Apollinaire's love and Cocteau'a friend, create an enchanted world of adolescent girls. The unchanging pale, oval shaped faces with expresonless eyes, the ethereal bodies amid flowers and flotating pink and blue gauzes could easily become too sugary bul for the aura of Sapphic mystery. Gallery Malingue, 28 Ave Matignon (4266 6033). Ends June 21.

### **WEST GERMANY**

Düsseldorf: Kunstverein Grabbeplatz 4: Josef Beuys water colours from a private collection, 250 paintings by the artist, who died in January, are shown for the first time. The exhibition covers the period from 1952-88.

Tübingen Kunsthalle: Philosopben-weg: Pablo Picasso. A retrospective of 200 masterworks' Pastels - Paintings - Aquarelles. This unique exhi-bition covers the period from the early years to the later works (1881-1973). It also displays his great variety of works on paper for the first time. Ends May 25.

Berlin, Nationalgalerie, Potsdamer ective of 100 oil paintings by this East German who has lived in Co-logne since 1983. The works cover 1962-85. Ends June 1,

Berlin, Akademie der Künste, Hanseatenweg 10: Life Or Theatre? This exhibition displays 250 gouaches by Charlotte Salomon. She died, aged 26. in Auschwitz. Ends June 15.

Bayreuth, lwaiewa-Haus, Münzgasse Art and Culture from the Congo and Zaire. About 300 paintings, cult and practical objects from the Colonial period to today. Ends June 29. Hamburg, Kunsthalle, Glockengießer

wall I: Renaissance of the North. 110 German and Dutch paintings on loan from the Paris Ecole des Beaux-Arts. Among the artists are von Bouts, Dürer and Goltzius, Ends

Mûsée Royale d'Art et Histoire: Taiwan-based painter Wong Liu-Sang. 40 paintings, of which 10 are by his pupil Chen Sian-Nan form this painter's first European exhibition. The artist will demonstrate traditional Chinese painting on June 18. Ends June 29.

### ITALY

Plorence: Museo Nazionale del Bargello: Homage to Donatello: to cele-hrate the 6th ceotenary of his hirth the 19 Donatellos the n the 19 Donatellos the museum owns, of which only six are of absolutely certalo attribution, have been

Future aircraft

panels and doors, cockpit floor atructures and side panels).

BAe says that whereas in 1980, in aircraft such as the Tornado, aluminium alloys accounted for nearly three-quarters of military airframe

structures, with conventional structures, with conventional sitanium alloys and other materials accounting for the reat, hy about 1990, when the Eurofighter becomes airborne, close to one-half of the structure will be in CECs matching

ture will be in CFCs, matching if not exceeding the volume of aluminium alloys, with titanium and other materials making up

The EAP is intended to demonstrate the validity of such changas, including the use of ao much CFC material in a

military airframe, aubjected to

severe stresses and strains in

clude a reduction of up to 30 per cent in manufacturing costs,

due 10 a reduction in the num-

ber of detailed parts; an in-creased strength-to-weight ratio

io those parts; a reduction in the volume of waste materials;

and the ability to produce

This does not mean that

metals are on the way out: far

fighter, together with new metal

triviant and a high level of

The advantages of CFCs in-

the remainder.

flight.

In advanced materials and large, complex, curved shapes as

manufacturing techniques, BAe required in advanced military

since 1970, when a hatch of from it. Tilanium will still be Jet Provost rudder trim tabs used in both the EAP and Euro-

Since then, BAc's CPCs have alloys such as eluminium-been used on such combat air-libium, which has a higher craft as Jaguars, Tornados, degree of strength end stiffness

Harriers, Swedish Saah Gripen than other eluminium alloys.

JAS-39s, and now the EAP but with a substantial saving in

material

breakdown

uped, with much documentation, to give a new view of the artist. The nary, languid bronze David. Ends

Rome: Palazzo Braschi: (Piazza San Edvard Munch Pantaleo): (1863-1944): More than 250 works by the Norwegian peinter from the Munch museum in Oslo and private collections. Death and illness be came a dominant theme in Munch's works: Subjects such as Death In The Sickroom are reworked in oil. charcoal and pastel - each seeming more compelling than the last. Also on show is his extraordinary work. The Scream painted in 1893, in which the scenery becomes a vortex for the central, anguished figure. During the 1590s, Munch moved away from realism and impression ism (there are three delightful paintings on show of Nice and St. Cloud) towards expressionism, a style which he used to express not only desolation, but also lyricism and passion. Ends June 1.

Venice: Palazzo Grassi; Futurism and Futurisms: Fiat opens its art centre on the Grand Canal with the largest exhibition to be devoted to the Fuin Italy, and the first to exalt technology, and to try to convey speed on canvas. More than 300 works have been lent. The paintings are mainly from 1909-18, but there are theatre, music, architecture, fashion and furniture, showing futurism's influence up to 1930. Ends Oct 12.

### NETHERLANDS

Amsterdam: Van Gogb Museum. 90 Whistler etchings from the Zelman collection follow the career of the brilliant eccentric from his Paris period, through the penetrating obs vation of Londoo's dockland, the tranquility of the Venetian set, and closing with the Inte, dreamlike im-pressions of Amsterdam. Ends

Madrid: Contrasts of Forms, Abstract and geometrical art sponsored and recently exhibited at Moma. New York, 150 works by 20th century artists sel oul chronologically, offers a coberent display to 1980 with Braque, Leger, Picasso, Mondrian, Biblioteca Nacional, Paseo de Recoletos 22, (435 40 03), Ends June 30.

Madrid, Claude Monet (1840-1926): The greatest living Freoch artist as be revolutionised the course of modern ainting by playing a leading part io the creation of a new artistic move-ment: impressionism, 125 paintings on loan from private collectors and all over the world will offer a good overview of his difnent representation of his most famous period at his home at Giverny. Meac - Museo Espanol de Arte Con-temporaneo, Avenida Juan de Herrera 2. (449 71 50). April 29 - end

Barcelona. Max Ernst retrospective includes 125 works of the dadaist

Material changes in the

way aircraft are built

technological showcase

prepares for take off

Allied with these new materials are new methods of

handling them, such as super-plastic forming and diffusion bonding, as developed by BAe specifically for aircraft work.

Superplasticity is a phenomeooo occurring when metals with a suitable micro-structure

(such as certain alloys of aluminium, titanium and steel)

are healed to about 50 per cent of melting point, when the metal can be formed into the complex ahapes needed in air-craft structures.

The edvangtages of super-

plastic forming include a reduc-tion in the number of delailed

paris, with reduced manufactur-

able weight savings; and

increased damage-tolerance and

to produce complex shepes that are competitive in both terms

of cost and weight with carboo

fibre composites and conven-tional aluminium alloys.

Supporting these

as Britain's

corrosion resistance.

Michael Donne reports ments, BAe has evolved a major edvanced manufacturing

and surrealist painter. Fundacion Joan Miro, Parc Mootjuic, Ends

Jewellery from 1900-25: A selection from the Museum of Applied Arts' extensive Art Nouveau jewellery collection not usually on display The museum began its collection is 1900. Ornamental combs by Ren Lalique, enamel and ivory pieces by Gaillard, and beautiful jewellery using glass aod semi-precious stooes by the Belgians Van de Velde and by the Beigians van us value Philipp Wolfers. There are also pendants, lockets, brooches, necessity laces, belt buckles and rings from the masters of the Wiener Werk statte - Hoffman, Moser and Czeschka - many on public view for the first time. Applied Arts Museum, ends June 8.

### **NEW YORK**

Japan House: Burghley House, with its the earliest known record of Japanese porcelains in Europe, pro-vides a touring exhibit that will visit the High Museum in Atlanta and then Japan through 1988 with 205 Japanese and Chinese objects daling from the 18th to the 18th centuries. Ends July 27.

Museum of the City of New York: Ar-bil Blatas's paintings, drawings and sculptures of Three Penny Opera covering 12 scenes and 11 characters, were inspired by the historic Theatre de Lys production in 195 starring Lotte Lenya. Ends Oct 15.

Metropolitan Museum: Two cepturie of Renaissance masterpieces from Nuremberg include 270 works in painting, sculpture, tapestries and illuminated manuscripts by Al-brecht Dürer, Hans Baldung Grien, Veil Stoss and Adam Kraft. Ends

### WASHINGTON

Hirshhorn Museum: 75 works of the California sculptor Robert Arnesoo presents the glazed ceramics be pio-neered in what became the Funk movement in the 1960s with its irreveren1 view of other artists, con lemporary artefacts and art itself. Ends July 8.

### TOKYO

Antoni Cleve: 130 works by one of Spain's prominent modern artists. Tokyo Teien Museum, Meguro, This m, with its art deco architec ture and gardeo was once the borne Ends June 6.

ics and lacquerware with these motifs from the museum's collection celebrating its 25th anniversary, Suntory Museum of Art Akasaka, close to New Otani and Akasaka · Scenes of Spring: 10 works on hanging

scrolls hy Japanese artists Kano Tanyu, Shunso Hishida, Gyoshu Hayami and others. Okura Mu-seum, at Okura Hotel Ends June 15.

CONVENTIONAL

TITANIUM

CARBON FIBRE

COMPOSITES

technology programme, that includes not only the extensive

use of computer aided design and manufacturing techniques (CAD/CAM), but also extensive autometion in numerically-controlled machining—enabling the maoufacture of complex

of Robotics) of other processes

from the receipt of rew majerials through 10 produc-

These systems in turn can

up to 80 per rent, cut unit costs

by up 10 70 per cent, reduce the amount of work in progress

at any one time hy up to 90 per cent, and thus substantially

reduce the amount of materiel

ing and assembly times, and so as substantially to enhance Everything employed in the thus reduced costs; consider- its agility, which is vital in any EAP will eventually be em-

Instead ol conventional wires, rods and pulleys to move the

Similarly, diffusion bonding control surfaces oo wings, rud-research in all these fields has involves joining titanium alloys at critical temperatures so as signals are sent to actuators of the EAP. It will be con-

develop- which in turn leads to reduced

stocks held.

combat aircraft.

**TECHNOLOGY** 

### Music

Nouvel Orchésire Philharmonique de Radio France and the Radio France choir conducted by Marek Janows ki: Schumann scenes from Faust Thur). TMP-Chatelet (Tue, T) (4233 4444). flurray Ferahía, piano: Schumana, Britten, Berg, Besthoven (Wed). Theatre des Champs Elysées

(4723 4777). roupe Vocal de France conducted by Michel Tranchant Debussy, Xena-kis, Hugues Dufourt (Wed). Centre

Georges Pompidou, Grande Salle (4218 7995). inzanne Chaisemartin, organ: Franck, Tournemire, Jean Langleis, Marcel Dupre (Thur). Sainte-Clotilde Church (4524 1518). Meriet, piano, and Ensemble Orches-tral de Paris, soloists: Mozart (Thur). Salle Gaveau (4563 2030).

### NETHERLANDS

Amsterdam, Concertgebouw, Anton Kersjes conducting the Netherlands Philharmonic, with Miriam Fried, violin. Beethoven (Tue). The Co-logne Rundfunk under Heinz Gesse and Jan Stülen, with vocalists. Nicolai, Lortzing, Offenbach, Lehar (Thur). (71 83 45). trecht, Vredenburg, Recital Hall: The Schönberg Ensemble under Rein-

Cats (Winter Garden): Still a sellout, Trevor Nunn's production of T. S.

Eliot's children's poetry set to tren-dy music is visually startling and choreographically feline, but classic

only in the sense of a rather staid

and overblown idea of theatricality.

The first instalment of Neil Simon's

mix of memories and jokes focuses

hold where young Eugene falls awk-wardly in love with his cousin. (2211211).

Chorus Line (Shubert): The longest

running musical ever in America bas not only supported Joseph Papp's Pubbic Theater for eight

years but also updated the musical

genre with its backstage story in

which the songs are used as audi-tions rather than emotions.

a Cage aux Folles (Palace): With

Harvey Fierstein's adaptation of the

French film manages, barely, to cap-ture the feel of the sweet and hilar-lous original between high-kicking

and gaudy chorus numbers, (757 2626), I'm Not Rappapert (Booth): In moving

to Broadway, Herb Gardner's touch-ing, funny and invigorating play about two oldsters retains its stars,

use (called control-configura-tion), the pllot can manoeuvre

his aircraft to the limits of its airframe strength without getting into difficultles, result-

agility. The sysem has been proved in a BAe Jaguar flying test-bed, and is now being in-

Although primarily of imme-

dlete value in military aviation,

fly-by-wire also has considerable

potential long-term henefit in commercial aircraft, where

although comparable agility of eircraft manoeuvre is not required, a reduction in pilot work-load is of considerable

significance, as are the struc-tural weight aavings that fly-by-

to employed, and meke life more comfortable for the pilot.

more comprehensive and lmme

diately avallable (et the touch

of a button) tolormation for the pilot about his aircraft's sys-tems, such as engines, hydrau-

In the EAP, such displays are

already employed in such air-craft as the Tornedo, or even in those commercial aircraft

where electronic flight displays

As a result of combining all

the technologies, the EAP is one

of the most advanced eircreft in the world, and certainly in

Weatern Europe (the French claim that its rival, the Dassault

Rafele, also due to fly soon, embodies aimllar advances in

bodied in the projected Euro-

fighter, and even carried to

further extremes, because tha

Such displaya provide far

wire generates.

lics end fuel.

parts up to 15 times faster than hy conventional methods—and already employed in such air-of Roboties of their descriptions of their

materials through 10 produc-tion of finished parts for direct assembly on the aircreft.

These systems in turn can

These systems in turn can

These systems in turn can

The second major area of embodies aimllar advances in EAP advanced technology, gyberney, is a system of control-spectrum of aircraft design and spectrum of aircraft design are spectrum of ai

ling an aircraft's manoeuvrabil- manufacturing techniques, as

ity in flight by electronic, well as in operational perforinstead of mechanical means, meoce in flight.

which in turn move those sur- tinued at an accelerating pace

which in farh move those surfaces as the Eurofighter itself is faces. The control surfaces as the Eurofighter itself is themselves, and even entire developed, to the ultimate long-

themselves, and even entire developed, to the ultimate long-wing aizes, can be made smaller term benefit of ell military and

heceuse they are more efficient. civil aircraft developed in

reduce maoufacturing times by coming Airbus A-320).

corporated on the EAP.

some tuneful Jerry Herman so

(239 6200).

Theatre

Judd Hirsch and Cleavon Little, who almost conquer the world when they think they are just bickering with each other. (239 5200).

bert de Lecuw, with Dorothy Dorow,

soprano. Dallapiccola, Webe Schönberg (Wed). The Mendelsso

lin, Ravel, Faurė (Thur). (31 45 44).

LONDON

London Soloists Chamber Orchestra conducted by David Josefowitz with

Mayumi Fufikawa, violio, Mozart. Queen Elizabeth Hall (Mon).

Philharmonia Orchestra and Chorus conducted by Simon Rattle with Elisabeth Söderström, suprano. Poulenc Messiaën and Ravel Royal

by Raymond Leppard with Cho-Li-ang Lin, violin. Stravinsky, Mozart. Saint-Saëns and Mendelssohn

Saint-Sains and Mendelssohn. Barbican Hall (Mon). (638 8891). Northern Sinfonia of England con-

ducted by Hichard Hickox, Wagner, Schumann, Cowie and Prokofiev.

Jene Glover with John Lill, pisno. Mendelssohn, Schumann, Prokolley

and Mozart Royal Festival Hall

Glusspes Sinopoli with Barry Tuck-well, horn. Haydn and Strauss. Boy-al Festival Hall (Thur). coadon Symphony Orchestra conduct-ed by Yoel Levi with Ju Hee Suh, pi-

London Mozart Play

Philhermenia Orchestra con

Poulenc, Messiaën and Ravel. B Festival Hall (Mon). (928 3191). English Chamber Orchestra condu

each other. (239 5290).

Big River (O'Neill): Roger Miller's nusic rescues this sedentary version of Huck Finn's adventures down the Mississippi, which walked off with many 1985 Tony awards almost by default. (2460220).

Pinladelphia Story (Arena): Elinor Renfield, who last directed Peter Nicheld's Design New York takes.

and overblown idea of theatricality. (239 8262).

42nd Street (Majestic): An immodest celebration of the heyday of Broadway in the 30s incorporates gens from the original film like Shuffle Off To Buffalo with the appropriately brash and leggy hoofing by a large chorus line. (977 9020).

Brightom Beach Memoirs (46th St): The first instalment of Neil Simon's chois's Passion Play here, takes on the Philip Barry American classic about a headstrong debutants whose society wedding draws the press to gawk. (4883300). Lost (Music Box): John Tillinger di-rects this high-spirited revival of Joe Orton's 1966 macabre farce fea-

turing Zoo Wanamaker as the homier while buying his wife and county-ing with their thieving son to hide the body. (239 6200)

Pump Boys and Dinettes (Apollo Center): Facetious look at country music and down-home country life with a good beat and some memorable ngs, especially one played on kit-

songs, especially one played on kit-chen utensils has proved to be a du-rable Chicago hit. (935 6100). Cats (Shubert): The national tour has stalled here while the T. S. Eliot lyr-ies and Andrew Lloyd Webber tunes take extra time with an extended run. Ends May 31. (977 1710). International Theatre Festival: Brit-ain's National Theatre brings The Cherry Orchard directed by Mike Cherry Orchard directed by Mike Alfreds and The Duchess of Malfi directed by Philip Provse to a fes-tival that includes an Israeli compa-ny performing Joshna Sobel's Chet-to, a Japanese company doing The

. C. 1 - 1 - 1 Rachmaninov. Barbican Hall Hitomi Memorial Hall, near Sangenjaya. (Wed). (235 1661).

Helmut Deutsch (plano): Beethoven,
Debussy, Bartok, Franck, Ishbashi
Memorial Hall (Wed). (235 1661).

The Cleveland Quartet: All-Bach programme. Yeasu Negu Hall, near Toley Station (These). (Thur).-

### SPAIN

lone, Musica Antique Festival continues Monday: Gothic voic conducted by Christopher Page; Wednesday: José Miguel Moreno-playing vibuela and guitar. Centre Calbard de la Cana, Salo del Tinell. Cultural de la Caixa, Selo del Tinell Plaza del Rey (301 11 42). Leningrad Philharmonic Orchestra: Monday, Murcia's Polideportivo, Tuesday, Seville's Iglesia del Sal-vador, Wednesday, Colegio, and Thursday, Barcelona's Palan de la Musica Catalana, Amadeo Vives 1.

### VIENNA

(317.99.82). . .

Judith Williams, soprano Buth McGuire, organ, Bach, Handel, Mendelssulm, Kariskirche (Mon), Alben Berg Quartet with Elisabeth Leonskaya, piano, Haydo, Bartok, Seal (72 12 11). (Tue and Wed).

formere Prancesch (piano); Scarlatti, Ravel, Brahma, Tokyo Bunka Kai, kan Recital Hall, (Tue), (237,9990;

980 6060). Dezso Bauki (piano): Be Brahms. Short

around a fictitious Japanese provide material for light all ate satire. An excellent way to dissi-pate frustrations, irritations or bemusements - an entidote to the seriousness with which the Japanese view themselves. Starring Stuart Atkin, James House, Jeff Manning. Albion-za's intimate theatre, Eblau.

Lend Me A Tener (Globe): Fresh and inventive operatic farce by new American author Ken Ludwig set in Cleveland, Ohio in 1934. Dennis Lawson and Jan Francis lead an en-ergetic company in mistaken iden-tity romp, while Verdi's Ofello carries on regardless. (437, 1592) Blithe Spirit (Vaudeville): Excellent re-vival of Noël Coward's smart con-edy about a novelist harassed by his second wife and haunted by his first Pinter's Old Times owes a lot to this play, well directed by Peter Farago, acted without undue Cow ardian reverence by Simon Cadell; Joanna Lumley and the alabaster beautiful Jane Asher. (836 9987) When We Are Married (Whitehall):

Matchless comic playing from an all

Trojan Women and local groups like the Body Politic doing Liarry Re-tron's The Hitch-Hilbers and the Im-mediate Theatre doing Lillian Hellman's Another Part of the Forest. Ends May 25. (644 3376).

Our Japen, Our Summit (in English): A revue by Albion za. Tukyo's only resident professional English thea-tre. Comic skatches and music built:

Leonon look-and-sound-alike. Continued on Page 17

### star cast in Priestley's comic war-house about silver wedding anniford manage **auality** with Husky Find out why on IANUFACTURERS OF THE WORLD'S MOST POWERFUL HAND-HELD COMPUTERS

TV pictures

in miniature

from Marconi

CATHODE RAY tubes only

### drag, requiring smaller, lighter engines burning less fuel to do the same Joh. Until the arrival of highspeed on-board computers, this was but an aircraft designer's dream. Now, with fly-by-wire and the changes in aircraft design that can result from its

WRIST INFORMATION is the latest micro-wonder from Japan, in which Sciko has developed ways of using a wrist-worn "terminal" in conjunction with a personal computer.

Known as the RC1000, the unit, the size of a large wrist watch, is plugged into the RS232C socket of a personal companion of the personal companion.

Seiko describes this as "an

The RC1000 has various operational modes including ordinary timekeeping, a user definable storage facility, a schedule alarm (reminders about times of meetings, flights etc.), and a world time display for up to 80 cities.

spitaly to ap to be cited.

Seike is offering a similar system, the UC2000, which includes a specially-designed computer controller, in place of the PC, with two-way transfer of data between the

UK ENGINE MAKERS Per-

Perkins Engines in Peter-berough has set up a computer based communi-cations link with its customers and suppliers which will give ang suppliers which will give a faster and more flexible response to engine orders and a closer liaison with the company's manufacturing suppliers and customers. Austin Rover, JCB, Caterpillar and Hyster are among the



### WATCHING **Edited by Geoff Charlish**

DANISH REFRIGERATION

an inch in diameter which can produce an 800 line television picture, weigh only 100 grams and are under six inches fong, have been developed by Marconi Osram Valve (MoV) company of London. A special power supply has been developed by Brandenburg, a British company which specialises in this field. The small size and weight of the tube allows it to be mounted in positions not previously practicable—on a pifot's helmet for example, to provide him with flight data whatever the orientation of his bead. The tube also has



a low distortion display, is ruggedised and consumes only

PRIVATE WIDE area networking is offered by Interna-tional Computers in the UK, based on the international X25 standard for packet transmission and switching of ICL has a range of switches,

with network management software, supported by services for planning, design, implementation and training. Called Ospac, the system is aimed at large organisations with several geographically dispersed sites that need to be linked up for computing purposes. More on 01 788 7272.

المكد المن الاصل

### Seiko system offers information at the twist of a wrist

computer, allowing some 30 miniature "pages" of information each of 24 characters to be down-loaded into the wrist unit in under 10 seconds.

ingenious way of carrying data which would normally be kept at home in a per-sonal computer."

Further aignificant advantages in flight control can be derived from the lotroduction of advanced electronic flight decks, where multi-function colour TV displays, associeted with computer memory banks, reduce the mass of dials hitherto employed, and meke life

two by electromagnetic induction instead of a cable. More in the UK on 9628 34655.

kins and Pethow have both announced new electronics applications.

First users.

Petbow has a new form of electronic control for its product, a range of diesel-driven electric generating sets. Designed for use on the generators, which range from 15 kW to 1000 kW, the system uses ifquid crystal displays to show output in volts and amps and the percentage loading on each phase. There are also alarm displays for faults such as low oli pressure, high temperature, over-speed and overload.

WORTH

specialist A. Gramkow says tt is now economical to reclaim refrigerant that would otherwise be wasted after test on refrigerator production lines. The company offers parification systems working at 30 tion systems working at 30 kg/hr, developed in conjunction with the refrigerent manufacturers (which have tested the systems). Gramkow says the find can be reclaimed to the same degree of purity as the Ireshly marketed product, that is, with a moisture cooteot of less than 10 to 15 parts/million, without oil and nonmillion, without oil and non-condensable gases. Gramkow is in Sonderborg oo 04 43 3636.

PRINTED BOARD computer-PRINTED BUARD COMPAGE-etded design (CAD) soltware is offered by KGB Micros, the Windsor, UK company which is also a major distributar of AutoCad, the US-designed top Autocad, the US-designed top selling CAD program. KGB claims that until bow, printed circuit hoard designers have had to use

an expensive mini or microbased system to get a reasonable level of sophistication. The new software, called Hyboard, runs on the IBM XT or AT and costs £5,000 for all three program modules, covering circuit schematics, board artwork and entomatic routing of the board conductors. More on 0753 850111.

10 watts from a 24 volt aircraft supply. MOV HQ in the UK is on 91-603 3431.

### Cinema/Ann Totterdell

### Dead ducks, dead fish and deadly sex

9% weeks directed by Adrian Lyne Streetwalking directed by Joan Shumber Party Massacre directed by Amy Jones The Hitcher directed by Robert

He Died With His Eyes Open directed by Jacques Deray Cine directed by Jonathan Lynn

For sex on the screen to work it must be presented as a challenge, forcing audiences to confront not just cinematic images but their own image of themselves. Which is why directors like Bertohucci. Oshima and Roeg make films that transcend vulgar labels not sex films but films about aex. Attempting to keep com-pany with them and to bring a more dangerous view of sex into the mainstream, Adrian Lyne (English director of Flashdance) is immediately defeated by compromise with

Set in a New York that is often richly unrecognisable under the photographic direction of Peter Biziou, the film's title refers to the duration of a love affair between reserved art dealer Liz (Kim Basinger) and John (Mickey Rourke), a commodities broker with chic, cheek and an unorthodox personal life. Another woman might have

Another woman might have called it a day when be playfully stranded her on top of a ferris wheel hut, simultaneously attracted and disturbed by his babying and ahusing, she keeps coming back for more—blind-foldings, dressing up, shop-lifting, spoonfeeding, sex in public places—until she is completely under his control pletely under his control.

The Court of the C

State of the state of

Though it is implied over and over again that the relationship is based on sado-masochism there is nothing left on screen to confirm it. The film has obviously been drastically cut leaving only harmless if extrovert games playing that fails to support Lyne's argument that physical and emotional violence can fuse into an imprisoning

Maybe if he'd resisted the urge to prettify all his images and then alternately undermine over-emphasise his points

three-movement construction.

marked by an individual fusion



Kim Basinger in "91 Weeks"

aled his narrative and told us the truth.

Instead we have 116 minutes (it feels longer) of lyrical emptiness punctuated for some inexplicable reason with con-stant peripheral references to

stant peripheral reservoes to animals: dependent dogs, predatory cats, dead mice and wooden hirds.

On the day Basinger and Hourke meet she watches a fish struggling on a fishmonger's slab. At the moment she realises she must break free from Rourke the saintly old from Rourke the saintly old artist she is visiting is clutching a dead fish. By which time I had concluded that I was watching a dead duck.

At least we are spared such pretensions in Streetwalking.
At the opposite end of the social scale to Lyne's lovers, Cookie (Melissa Leo) is a nalve provincial girl who runs away to New York after being abused by her stepfather and is easily drawn into a life of prostitution. When she tries to leave her psychopathic pimp lover for a new protector she triggers off a war between rival pimps with predictably violent results. If the film has a theme it is one of betrayal; even the prostitutes can't stand by each other when

it comes to the crunch.

It is a pessimistic story containing little that is fresh but nevertheless it is definitely the better half of a double hill.
The title of its partner,
Slumber Party Massacre,
directed by Amy Jones, says it
all. A group of high school girls have a slumber party and most of them get massacred by an escaped driller killer. Again it is predictable stuff

with little humonr and a lot of blood, the usual study of penis envy translated into an 18-inch drilt whose battery never goes The nnifying theme of the

programme is that both films are exploitation subjects directed by women. I can accept that Joan Freeman and Amy Jones, both protegés of Roger Corman, sincerely felt

managed to turn the genre on its head or extract any sort of real revenge. Joan Freeman may survive to make a film with a little more dignity than Streetwalking—her rather dull story is at least handled with compeat least with compe-tence and at a stylish pace. Amy Jones's second film, Lore Letters, has already opened here and confirmed her as a rather uninspiring director even when she provides herself with better material.

A wide choice this week: sex. violence—or sex and violence.
The Hitcher, yet another
exploitation movie, comes into the second category, C. Thomas Howell plays Jim Halsey, a young man driving to Califor-nia wbo picks up a hitchhiker (Rutger Hauer) and narrowly escapes being knifed by him.

From then on it's a race against time to convince the authorities that there is an insane killer decimating the

dients first: a violent stranger, guns. knives, severed limbs. plenty of flaming cars, dead policemen and a crashing heli-copter. lop it all with a really masty fate for some poor female—and then concoct a plot to hang them on.
There's a sugestion that some

finds himself a fugitive insteadd of a bero.

suspects bas been written by

a committee. Find the ingre-

It is the sort of film one

subliminal rapport has evolved between the Hitcher and Halsey. Let us hope that doesn't mean The Hitcher II is imminent. Another directorial debut, this time for Robert Harmon, well supported by director of photography John Seale who makes the desert locations seductive and sinister even when Harmon less the name of the page of th lets the pace sag.

in He Died With His Eyes Open, a sub-illed French thriller in which the detective hero Staniland (Michel Serrauli) hecomes obsessed first by an all more pungently in five unusual murder victim and minutes. then by the victim's elusive mistress (Charlotte Rampling). Becoming enslaved by your number one suspect doesn't seem like very professional conduct but Staniland is a unique kiod of detective. Unforlunately Michel Serrauli's performance alone cannot hring

this film to life. Disappointingly directed by Jacques Deray (who made Borsalino) the result is atmospherically and visually rather flat.

Catching up with Clue at a local cinema provided some light rellef, Basing his plot on the board game Cluedo has given writer/director Jonathan Lynn an unahashed excuse for introducing cardboard cut-out characters in stereotyped situations. ations. This house party mystery in which everyone bas a motive for killing the hlack-mailing host is more farce than thriller since it is impossible to care who dunnit. Choreographed rather than directed, the excellent cast (in-

cluding Lesley Anne Warren, Martin Mull, Tim Curry and Eileen Brennan) might have lifted the film out of the ordinary if only the bumour these films were their only population with, of course, the had been less laboured. It may route to a directional break, evidence stacking up against well make better viewing but it is a pity neither has the wrong man so that Halsey when it turns up on television. Chess/Prince Edward

### Michael Coveney

It is exactly 100 years since Steinitz crowned himself the first world champion of chess, and the sport that is Soviet Russia's chief pastime is now the subject of a decadent Western musical written by Tim Rice (lyrics) with Benny Andersson and Bjorn Ulvaeus (music), directed by the show-hiz Shakespearian Trevor Nunn, lit hy David Hersey and designed by Broadway's Robin Wagner (sets) and Theoni V Aldredge (costnmes). The first half is set in the

Italian mountain village of Merano, the second in the hotels and temples of Bangkok. "The Sound of Kismer," in fact. would not be too sarcastic a description, for the cold war of a Red-bashing temperamental American champion and the warm, well-behaved Russian challeoger is mcrely the backperfound to a rather muddled There aren't so many coroses romantic story involving Elaine Paige as Floreoce, the American second, who falls in love des-pile conflicting ideologies. Elion John's "Nikita" video said it

> The story was confusing on The story was confusing on the original album — which con-lains two first class char-loppers, "Bankok" and "1 Know Him So Well"—and Mr Nunn and company still fail to elucidate why the Russiao wife of challenging Anatoly is such a pain; what exactly is the political manoue ring behind the exchange of Florence's father (oot seen by her since she fled Budapest in 1956) for the Soviet redemption of Anatoly; or why Murray Head's histrionic mixed-up kid of a defeated champ should turn up in Bangkok as turncoat media commentator before feeding tips to Anatoly on his Indian

defence. In Bangkok, Anatoly is play-ing a new challenger (a Soviet nonentity whom we never see) having defected to England for love of Florence. In Mr Head's first act tantrums there are echoes of Bobby Fischer's be-haviour in the 1972 champion-ship, and elsewhere the plot con-tains obvious echoes of Karpov and Korchnoi. But Korchnoi's complaint never ran to reprising a lot of Ahba-style deadwood recitative that only reminds one of how good Jesus Christ Superstar was in that respect, and how dated and dramatically loert much of this sounds.

Unhampered by any such misglving, Mr Nunn transforms the material into a fine spectacle the material into a fine spectacle of cord and supervised by 7 om of chorales, operatice domestic Jobe as an athletic Arbiter who scenes and Evita-like bobbing company tableaux, none of it as hrilliantly distinctive as Hal Prince's work on the latter show, all of it superbly sung and, shove all, lushly orchestrated and ingenously manufactive as an athletic Arbiter who signalled by the ornale Chinese chess ballet prelude, a needless chess ballet prelude, a needless the other judges even if he does the other judges even if h



tured through the sound system. The stage lifts and tilts, the squares light up in hars and for the climactic all-Russian match, by now relegated to a diplomatic charade in the love triangle, the company assemble in severe black and white costumes intoning the names of

past grandmasters through to Petrosian and Spassky.

The one performance that stands out is Tommy Korberg's as Anatoly, an immediately hecause it was all so terrible), sympathetic performance that Miss Paige, as usual, sings free-wheels expertly through the fit to burst, but she lacks a Abba whirligig of crashing chord sequences to register a defiant cry on behalf of the patriotic exile. At such moments, of which there are too few, you recall that Mr Nunn's last anti-Soviet musical, Every Good Boy Deserves Favour (with Messrs Previn and Stoppard) gave impassioned expression to the dissident's

Elaine Paige and Tom Jobe matic wheels are oiled and then clogged by John Turner as the Russian second, Kevin Colson as a broadcasting executive. The media hype and pressure on the contestants is conveyed hy a hattery of TV screens (all 128 of them, that is twice times the 64 squares) and the excited

introductions by none other than former newscaster Robert Dougall (the admirable fellow who gave np reading the news fit to burst, hnt she lacks a clinching element of emotional warmth (and should change her hairdresser), a quality you feel unthriftily squeezed out of Siohhan McCarthy's inpenetrable spurged wife. Still, their duet confirms the song as one of the best pop numbers of recent years, thrilling in its undercotting syncopations, melodic thump and structure.

The proceedings are moni-tored and supervised by Tom Jobe as an athletic Arbiter who

### Lontano Ensemble/Elizabeth Hall

The Lontana Ensemble has choppy rhythms she failed, for switched its base for the time instance, to capture the magic ploration of Dutch-minimalist being from St. John's, Smith of the last movement's final jabbing rhythms and the odd square to the Queen Elizabeth bars—a sudden dying fall of sustained chord for relief, intense pathos. Nor was one secured for noisy ensemble in might, directed by Odaline de much more encouraged by the la Martines, it gave the first of a pair of concerts each comprisgeneral interpretation of detail and structure: the English wisting a piece hy the young English composer Steve Martfulness, elegiac muances, even the jazzy flourishes of the music land and two other items: would have had keener and more fulsome effect if an even, Constant Lambert's Concerto for plane and nine instruments under emphasised, more relaxed approach had been found. and Richard Rodney Bennett's Jazz Calendar on Wednesday, Instead, the main ideas came over as too literal or explicit, and slightly disrelated. The "Lugubre" character of the Ravel's Chansons madécasses and Boulez's Marteau san Moitre follow on June 2. The Lambert concerto is one finale was grossly exaggerated. Steve Martland's American Invention—which had its preof only two of his productions likely to retain permanent interest (the other being The Rio Grande). It is a substantial mière at last year's Aldeburgh

of blues harmony, iazzy rhythms and classical proprierhythms and classical proprieties, and shot through with an extreme melancholy: it was written in 1931 in memory of the composer Peter Warlock who had gassed himself.

The pianist Shelagh Sutherland made rather little colouristically and dynamically of her extensive solo passages, often unaccompanied; and if she managed to keep alive her suther little ties, and shot through with an extreme most attractive galleries have ownership by English Heritage by acquiring a landscape by the Dulwich Picture Gallery in 17th century artist Gaspard Dulwich Picture Gallery in 17th Catholic Dulwich Picture Gallery in 17th Catholic Dulwich Picture Gallery in 17th Catholic Dulwich

electric guitar. Compared with other Martland works I have come across (for example Remembering Lennon, to be beard in the next Lontano concert), this one seemed limited in scope and material.

### Joy at Kenwood and Dulwich

Jazz Colendar, composed in 1968, and a Frederick Ashtor ballet score of the same year, occupied the whole second half with its pallid resume of various jazz styles. Nothing classically-influenced, redolent "crossover" here - just castrated pure jazz.

grandly Wagnerian stauce (if organ, was a vivid conflagration.

### Les Grands Maîtres/Festival Hall

### Dominic Gill

The last of the Royal Philharmonic Society's concerts the association would suggest.
under the collective title of
"Les Grands Maitres Francais"
was played on Wednesday evenlog by the Royal Philnot Wagnerian flavour) than
the association would suggest.
It is made, essentially, of
pretty slender stuff: hut d'Indy
spins lt out with Ingenuity and ing by the Bournemouth Symphony Orchestra under Louis series, and during its course a number of mioor and major rarities bave been revived. On this occasion it was a from the solo pianist Michel Dalherto might have added, in pleasure to bear Bizet's exuberant overture Patrie! given with such easy, incisive confidence— and without a trace of apology for the vulgarity never far from (and once or twice distinctly

near) the music's surface. Fremaux's account of Satie's little Gymnopédies in Debussy's orchestration - illuminated by the silken oboe playing of Andrew Knights (who must already he ranked among the three or four finest of our orchestral oboists)—was a delicate, amorous interlude hefore the evening's chief rarity.
Vincent d'indy's Symphonie
cévenole, also known hy its full
title Symphonie sur un chant montagnard francois, is a glowing, uninhibited evocation of a mountain song from the Cévennes — but of far more

with the sweetest good humour. There are some tougher ideas too lurking just below the shimmer (notably some masterly Lisztian thematic transform tions)-sharper, crisper attack

the finale especially, a little more glitter. Saint-Saens's last and splendid symphony, no 3 in C minor — "this imp of a sym-phony has gone up half a tone: it didn't want to stay in B minor, and is now in C" — was com-missioned by the Philharmonic Society and given its première under the composer at St James's Hall almost exactly 100 years ago. The Bournemouth Orchestra's performance had an energy and a sunny clarity that served the symphony well. The

lovely D flat slow movement, unfolded hy Fremaux hroadly nobilmente, was especially stir-

ring. The little fugato before

what looks like Liberty curtain fabric, in front of which two couples stand. The men are po-faced, the girls begin 10 smile, Eeventually all four rock with silent laughter which is suddenly switched off with the the finale was alive with rbythmic bounce; and the finale ilself, fanned to a blaze by the

Alone on stage. Afra Waldhör reads out dictionary definitions of "love." The odd tic,

Martin Hoyle Epigonenteater ziv is a scratch and fumble betray a ordinary physical fitness and Belgian performance-art group. mounting excitement which is also a possible entry for culminates in her stripping off the next Olympics, to judge hy her clothes. At the entry of an Thia emerges brilliantly from expressionless young man she at first coyly, then resignedly,

Incident/Riverside Studios

the 90-minute rigorous training session disguised as theatre cur-rently showing in Hammer-smith until and including Sunday, providing that nobody has broken their neck, sprained variations, arabesques and doodles on the meeting of the sexes. Miss Waldhor instructs their ankle, heen stunned by the punchhag or decapitated by her passive partner in various the swing.
Offstage voices in a wordless forms of embrace. When mis-timed, these result in collisions. The links between miscalchorale accompany the slow illumination of a backdrop of

culated tenderoess, hostility and the undignified pratfall are emphasised throughout, notably by ends this turn banging 25 feet the immensely likeable group. above the stage before sliding Jan Lauwers directs; and Geert down the swing's rope, and van Boxelaere is credited with illustrates the company's extra-

This emerges brilliantly from the heart of the show. For a dresses again. The show then good 15 minutes the actors run gets down to business: images, round and round the stage, variations, arabesques and sometimes slapping at the sometimes slapping at the punchbag that, suspended from a long chain mid-stage, seems to pursue them with a life of its own. The four ring varia-tions on comradeship, rivalrly, courtship, maturing. One couple finds fulfilment, via the trapeze, when he dangles upside-down Simonne Moesen when, dressed as a bride, she attempts an erotic hravado while constantly slipping, sprawing and falling further face. She somehow Mark Willems are the men in

## After the final curtain, all the world's a stage.

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unabashedly pink dispensers. lt makes a grand finale to an evening on the lown. Urbane, astute, well-informed and insightful, the FT is

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### Continued from Page 16 Opera and Ballet

Rome: Teatro dell'Opera: La Boheme, conducted by Daniel Oren and di-rected by Pierluigi Samaritani, who also designed the scenery and cos-tumes. The cast includes Nelly Miricioiu, Francesco Araiza and Ales-sandro Corbelli. (46 17 55).

Turin: Teatro Regio: Turandot, Eva Marton sings the title role. The scenery is designed by Josef Svobo-da (548 000). Genoa: Teatro Margherita: Tannhauser conducted by Milan Horvat in-cludes Richard Vesalle (alternating with Spas Wenkoff, Siegfried Lo-renz, Karl Ridderbusch, Jeannine Altmeyer and Marita Napier. (589 329).

Naples: Teatro San Carlo: The Barber of Seville, conducted by Bruno Bar-toletti and with Margarita Zimmermann. (418 266).

### PARK

Mozart Festival, Le Nozze di Figaro. Orchestre de Paris conducted by Daniel Bareoboim, Paris Orchestra choir conducted by Arthur Oldham, in Jean-Pierre Ponnelle's produc tion, is co-produced with the Washington Opera and the Théâtre des Champs Elysèes at the Théâtre des Champs Elysèes, 7.30 pm (4723 4777).

### **NETHERLANDS**

chouwhurg. Fidelio performed by the Netherlands Op-era and directed by Harry Kupfer, with the Netherlands Philharmonic under Edo de Waart. Luana DeVol as Leonore, and Günter Neumann as Florestan. (Moo, Wed). (24 23 11). Arnhem, Schouwburg. Opera Forum with Tchaikovsky'a Eugeo Onegin

directed by Jan Bouws and conducted by Alun Francis, with Thea van der Putten, Hein Meens and Henk Amsterdam, Stadsschouwburg, Duets for ballet and music danced by Alex-andra Radius and Han Ebbelaar, with Christiaan Bor, violin, and Frédéric Meinders, piano (Tue). (24 23 11).

### SPAIN

adrid: Die Walküre with Montserrat Caballe and Siegfried Jerusalem, Kurt Moll, Hans Sotin, Johanna Meier. Teatro de la Zarcuela. Jovellanos 4, (429 82 16).

arcelona, Edip I Jocasta by Catalan composer J. Soier, World premiere of opera version with composer's assistance. Enriqueta Tarres, Jerzy Artysz and Enric Serra. Gran Tea-tre del Liceu, Sant Pau 1. (318 92 77). Valencia, Cullberg Ballet: Giselle. Teatro Principal, Barcas 15 (351 00 51).

natsoper: Manon Lescaut; Madame Butterfly, conducted by Kulke, with Watanabe; Cavalleria Rusticana; Pagliacci; Götterdammerung with Jooes, Balsen, Ludwig (53 24/28 55). olksoper: Die Zauberflöte, conducted by Bauer-Theussi: Die Csar-dasfürstin conducted by Bibl; Das Land des Lächelns: The Barber of Seville. (53 24/28 57).

New York City Ballet (New York State). Lincoln Center (870 5570). American Ballet Theatre (Opera House): Mikhail Baryshnikov brings his company to its two-mooth spring season with lour new works choreographed by Kenneth MacMillan, John Taras, David Gordoo and Karole Armitage, which join the repertory that includes The Nutcracker, Don Quixote, Ciselle and La Bayadere. Ends July 5. (362 6000).

### Saleroom/Antony Thorncroft

### Record in haystack

One of Monet's famous compositions of haystacks." Meules", made the top price of £1,611,465 to an American private huyer hut the opportunity that the decline in the value of the dollar offers to foreign collectors was apparent in the Japanese hidder who secured "Baigneuse" by

There was even a successful English buyer who paid 6630,573 for a Henry Moore "seated woman" cast in 1956-57 in an edition of six. It was sold by the Trustees of the Hirsborn Museum and Sculpture Garden to benefit its acquisition programme, a positive approach missing from most British museums and galleries. A white marble "Grand cardi-nale in Marmo" by Giacomo Manzu sold for £140,127, a re-

cord for the artist. Sotheby's continued its achievements in its follow up sales and all told brought in over \$40m from this market, Among the drawings and water- Windsor Castle in 1866.

Christie's could not quite match Sothehy's great success with its Impressionist and modern picture sale on Tuesday night hut its auction on Wednesday did reasonably well. Ingres, made £183,333. There to talling \$16,644,100 was an auction record for a C£10,601,337) with 21 per cent unsold.

One of Monet's famous comparations.

A marhle statue of a jester attributed to Sarah Bernhardt, and certainly signed by her, sold for £21,600 at Christie's yesterday, just within its lower forecast. Bernhardt, famous for playing Hamlet and for performing with just one leg, had a reputation as a sculptress, and in 1879 had a show at 33 Piccedilly, in and a show at 33 Piccedilly. secured "Baigneuse" by had a reputation as a sculptress, Renoir for £910,828, above forecast, and a Monet, "Petites iles de Port-Villez," for £525,477. Had a reputation as a sculptress, and in 1879 had a show at 33 Piccadilly in order to raise money to buy "two little lions." In the event she made only enough to afford a leopard and this object, believed to be Yorick from Hamlet, failed to find a buyer. It subsequently went to the US.

Top prices in the morning session in a sale of the arts and crafts of the 19th century was the £23,760 paid by Hewat Jaboor for an early Victorian gothic revival refectory table. the central part of the High Table of Pembroke College, Oxford. The top estimate had been £8,000. The same buyer paid £19,440 for a pair of ormolu mounted kingwood ebony snakewood \$1m above its high estimate. marquetry tables which were in

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Priday May 16 1988

### Paris drops its perse strings

AFTER A period in which is seconomic promises into effect. France's new Government of the right yesterday in a claim greater for not fost in claim greater fully realise what they are included in the country's financial system. In doing so Mr. Edouard Balladur. Finance in Change a change of the country is financial system. In doing so Mr. Edouard Balladur. Finance is not necessary middle.

Incomplete though they are, incomplete though they are an industry which is not so often say, as aggressively national step. timely move to lower the purity. of the French frame within the European Monetary System.

The subsequent popularity of the franc has enabled bim to the franc has enabled bim to abolish Frince's equivalent of the overseas investment dollar premium and to give French instance directors freer international rein without fear of the immediate exchange rate consequences. It has provided a climate of folling interest rates in which to move towards a market-based interest rate system and further reduction of the state's role in limiting and climating the volume of bank credit.

the massives reaching habitually for Colbertist levels of power—and discovering they are no longer there. For finance was surely the meaos by which they brought the private sector to heel in pre-nationalisation France.

The recent history of financial liberalisation suggests that it usually produces its own happing of fire. Competition and credit control led to the secondary hanking crisis in the UK. Interest rate deregulation

The decisions do not come as a sudden shoch. They build upon intentions already stated and, indeed, on the inclinations of the prayious, socialist government. Neither the interest rate regime nor that of foreign ex-change are left free by these changes—a Frenchman, for in-stance, will still not be able to open a bank account wherever

Movertheless, what we are watching unfold here is a revolution. It is the equivalent of adjust to the squeeze between the Eritish move towards credit competitively decentrel of the early 1970s and the Eritish abolition of exceptions controls in 1979, all ment will find a controls of the entire transfer or the controls of the entire transfer or t ralled into one. And this doubleliberalisation is taking place in
a country that has assumed that Public country that has assumed the later that Public country that has a second to the later than the later th that Paris's control of the purse strings is a national characteristic, not an aberration imposed by ideology or difficult times.

stream of world acance. Among
the group of five big industrial
countries, only Japan will be
left with a dirigiste internal
financial system. They are a hig
tiep tiwards the European
Community's original presumpties of a free internal market for capital and credit allecation. France and Italy dempen dis- strained,

at any time since the sorter invasion in 1979. That does not alter the fact that they are exceedingly slim. Horeover, the price the West and the Afghans themselves would have to pay may be heavy. Several signals from Moscow have suggested that the Soviet Union would like to end an adventure that has cost the Russians deer in blood and in credibility in the Third World. The Soviet oress has urged the

from "national patriolic forces." On the other hand, there has been little sign of a tet-up to the Soviet military effort. The least one might suspect is that invocation forces in Moscow, and especially the military, object to anything that might took like the failure of their invasion.

### Superpowers involved

The suggestion that something like a recalition should be set no in Kabul to molify the mujuhideen resistance against the Communist Government has been elled as a signal that Moscow is writing to seek the "Anlandisation" of Afghanistan. That would mean the establishment of a regime friendly to Moscow, but independent of it, and friendly, also, to the West.
Equally, the suggestion for a
broader regime in Kabul could
mean that Mescow is looking
for stooges to lend a mantle of
respectability to what, in fact,
would be Series assembly year would be Soviet suzerainty over Afghanistan. The post-war coulings which Stalin tolerated in eastern Europe as long as it suited him show what is means. Such are the uncertainties overhanging line current talks in Geneva where Mr Diego Cordovez, an under-secretarygeneral of the United Nations, is trying to arrange a settle-ment activeen the Kabul regime and Pakistan. The latter comes. and other raids in the border without lasting adequate crea, but also as the elly of the returns for itself or for the US. Indirectly, therefore, both Afgbans.

financial world in which clearonce is not necessary, guidelines no longer apply and
government-subsidised cheap
credit less easily fixable. The
hauts fo actionaires may find
themselves reaching habitually
for Colbertist levels of power
—and discovering they are no
longer there. For finance was

secondary hanking crisis in the UK. Interest rate deregulation punctured a lot of comfortable assumptions in the US credit industry. The removal of ex-change controls in the UK led inexorably to the Big Bang in the City of London.

Strange experiment

This lightning plways strikes in unpredictable fashion. But one suspects that the French banking industry will have to competitively determined is unacceptable to safety and licensing authorities in the US lng rates. Equally, the Government will find itself having to it for its advanced gas-cooled

These changes will pull ment bas a very thin majority rance firmly into the main-stream of world finance. Among the group of five big reducted a stitutional experiment, yet it is

A will test the oft-stated to French industry in allowing attion that the EMS func- its managers to operate as free tions smoothly only because agents, unpampered and uncon-

### The Afghan

PROSPECTS for peace in Afglianistan look better than at any time since the Soviet in superpowers are involved. Agreement has been ten-tatively reached on several important issues. But there is nane on the timing and speed of a Russlan withdrawal from Afghanistan. The wrong agreement oo this matter would mercly deliver Afghanistao to

The same would happen if the West were unwilling or unable to ensure that a settlement turning Afghanistan into a buffer state was actually enforced. The US has signalled its willingness to guarantee a The Soviet press has urged the pre-Aloscov regime in Kabul to broaden its bose by taking in representatives of traditional trabal and islamic forces. That may have inspired yesterday's announcement in Kabul that the regime would seek to strengthen itself with support from "national patriolic patriolic instructions of the pressure of the regime would seek to strengthen itself with support from "national patriolic instruction of the pressure of the regime would be support from "national patriolic instruction of the pressure of the pressur unstuck, the Russians would be much better placed to reassert themselves.

Even if one postulates that Moscow is fully sincere in wishing for a settlement acceptable to all, there is the lesson of history. Afghanistan is riven by tribal rivalries which are always liable to get out of hand and to drag in outsiders. What and to drag in outsiders. Whatever emerges from Geneva is liable to be nuttified sooner or later by the internal instability

of the country.

On any hard headed analysis, therefore, the West has no overwhelming reason for releasing the country of the ing the Soviet forces from attrition in Afghanisian. Nor is there a western interest to release Moscow from the odium its invasion has attracted in the Third World and, in particular,

### Veiled surrender

On humanitarian grounds the orgument runs differently. There is a chance, however slight, to stop the killing without an open or veiled surrender to Moseow of a people which has demonstrated its wish for independence. Clearly there is a strong moral case for seizing upon such a chance in the hope that all may end well.

Engiand. Unfortunately there is much evidence to suppose that the chance of a lasting settlement is a chimera. Without very and Pakistan. The latter comes is a chimeral without very long it ms bank gets taken over the firm guarantees of Moscow's by Lloyds, but he will remain many of its problems if a way could be found to tap the happens. He has recently spent and other raids in the border without lasting adequate and other raids in the border without lasting adequate out the great tin crisis to which the great tin crisis to which the great than in any other value, our confidence in the said very long it ms bank gets taken over the firm and rectant could be found to tap the could be found to tap the happens. He has recently spent many of its problems if a way could be found to tap the surgest of the coincidence. Variety was chosen, he says, because it suggests "Our out the great tin crisis to which the prevail of the coincidence in the surgest in the surgest of the coincidence. Variety was chosen, he says, because it suggests "Our out the great tin crisis to which the prevail of the coincidence in the surgest in the s

### AFTER CHERNOBYL

### A new sense of obligation

By David Fishlock Science Editor

organisation and management

ment's chief adviser on ratioinent's chief adviser on ratiological protection, to predict a
few tens of entra drafts from
cancer over the next 50 years.
In time traces of the accident
will spread worldwide.

Setting in accuracy to delive

ents of any nuclear reactor—a fissile fuel, a coolant to carry away the heat of fission, and a moderator—were proposed in the early decades of nuclear

ents of any nuclear reactor—a fissile fuel, a coolant to carry away the heat of fission, and a moderator—were proposed in the early decades of nuclear the early decades of nuclear the handful of survivors are those which warranted unremitting efforts by a country with deep engineering traditions, until they arrived at both a cattery and a reproducible reactor for an acceptable price.

Canada has done it with its Candu reactor but the product The handful of survivors are those which warranted unremitting efforts by a country with deep engineering traditions, until they arrived at both a secure and a reproducible reactor for an acceptable price. Canada has done it with its Candu reactor but the product is unacceptable to safety and and Britain, Britain has done it for its advanced gas-cooled reactor (AGR1, at a cost which is unacceptable anywhere else.

depositor has invisibly sub-sidised up till now. The cost and extent of government inter-vention in industry will become vention in industry will become where visible.

on Britain have all taken the US pressurised water reactor (PWR) and applied their own safety traditions. The result is significantly different ver-Wet Germany, France and oow Britain have all taken the These warnings are not sions of the same basic reactor criticisms. The French Govern cooceot: as different as a Rolls-

US, Britain and France—as a station, and the 850 Mw steam-plutonlum-producing system for generating heavy water reactor weapons. The Russians, who they were trying to design.

where the accident at Chemobyl begon even it we still do not know precisely the operating circumstances which brought it about. The gap in understanding may lie in the fact that the Russiens have not been forth-coming about ditailed design and operating data for the REMIL

Ironically, it also emerged this week that the International Atomic Energy Agency in Vicana, whose inspectors were capitized to Bussian reactors for turned down the chance of visit-ing Chernobyl-in favour of visiting installations they believed were more relevant to international interests.

will spread worldwide.

Safety in engineering design intrinted by any external event is deeply rooted in that such as a turbine failure or an nations with a highly developed engineering tradition. Scores he attributed it only to a of ways of combining the three essential engineering ingrediant factor reduced to only 7 per content of the LEMIN's core, and was not t cent of its output-in effect.

> at the top of the pressure tube had apparently given the Russians some vorries. So a minor mishap while

operators were loading or inloading feel may have storfed the rupture, releasing superfivaled steam at the face of the graphite fuel channel which, because of the surge in nuclear activity, was becoming extremely het. At about 1,000 degrees C graphite will "erack" steam into hydrogen and carbon monemide, a potentially explosive naix. More precise details of these events may be bard to ascertain.

stitutional experiment, yet it is managing to be far truer to its stated priocloles than the government of President Giscard d'Estaing which preceded President Mitterrand's.

Provided the Government can keep inflation under control, it adding a containment the government can benefit which managed the safety side core, were the first to die. British nuclear engineers and the gall Russian electronics and the gall Russian electr The RBAIR reactor, the tipe this pressure-tube system, used at Chernobyl, is a reactor already then operating at 1,000 layented—as were those in the Mw output at the Leningrad

the UK experts highlighted seven big deficiencies in RBMK design, judged against UK safety and licensing criteria. Their worries iocluded lack of emergency core cooling should a pressure tube burst; and lack of a full containment, such as was planned for the British re-actor. They were worried by a

feature of the Russian design knewn as "positive void co-efficient," which means that if the cootant is lost the reactor's

any containment. But the uncontained reactors are much smaller and of lower power rating.

The Soviet Union has given no indication of retainking aspects of reactor design. It aspects of reactor design. It bas even talked of restarting the undamaged reactors at Chernobyl, believed now to be the only Russian reactors shut down after the accident.

HERNOBYL was the accident and its conse-private homes, dent for which no one was design even to other Comecon British reactors.

The prepared It has expected to the conse-private homes, dent for which no one was design even to other Comecon British reactors.

In a report dated March 1976, still running are nearly 30 neighbours. This would be focus on the reactors quences for its European Mr. Gorback still running are nearly 30 neighbours. This would be focus on the reactors quences for its European Mr. Gorback still running are nearly 30 neighbours. This would be focus on the reactors quences for its European Mr. Gorback still running are nearly 30 neighbours. This would be focus on the reactors quences for its European Mr. Gorback still running are nearly 30 neighbours. realistic only if the Soviet ...
Union was willing to deliver the "corpse" in the shape of a lot more technical detail.

The nuclear industry will also be anxious to learn all it.

can in this post martem about methods of cleaning up a major radioactive mess. Previous nuclear meltdowns have been confined almost entirely to nuclear sites, even at Three Mile Island. It is almost 30

Mr Gorbachev's proposals focus on the role of the Inter-national Atomic Energy Agency in Vienna, an arm of United Nations which has been striving to counter the nationalism of the nuclear industry against the npposition of both friends and foes of

nuclear energy. The Russian leader makes it plain that it is to the agency of which the USSR along with the US and UK is a founder-member—that he looks for leadership in the new internationalism. He spoke of enhancing the role of that unique organisation. years now since Britain's burned-out graphite pile at Windscale was entombed in

mique organisation."

Fur the agency this is good news indeed, it has been struggling for years on a zero-growth budget currently about \$130m; to cover a spectrum nt nuclear activities on behalf nf over 100 member states. It is riven between the rival camps of developed nations, which see its dominant role as safeguarding the world against the proliferation of nuclear weapons, and the developing countries who want its efforts redirected into helping them gain directed into helping them gain the benefits of nuclear energy.

The importance attached by member-states to rated reactor safety may be gauged from the fact that only 10 per cent of a meagre budget is spent on safety, mostly collating safety-related incidents (in which the Busiless have always tollating bases have always tollating by Russians bave always collabor-

Thus a direct consequence of Chernobyl seems likely to be a stronger abligation an all member-states to advise the agency promptly of all nuclear activities. This implies a greatly expanded role for all safety-related work. In a cautious comment yesterday, Dr. Hans Blix, director-general of tha IAEA said he foresaw a great deal of activity in this field, particularly on emergency systems and early warnings.

The IAEA is setting great store by the need to keep chan-nels of communication to Moscow wide open, so that the world will take full advantage of Russia's new-found readiness to co-operate.

An emergency session of its board of governors has been called for next Wednsday, when representatives of 35 nations with be briefed by Dr Blir, who led its mission to Moscow. This has been called by the West German Government, whose geographical closeness to the USSR, coupled with a strong domestic opposition to nuclear energy, is posing special prob-

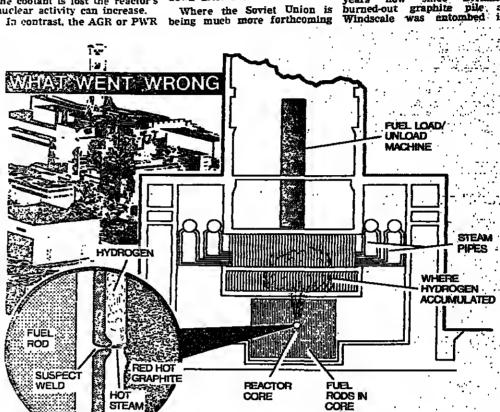
weapons. The Rossians, who they were trying to design.

for 20 years have slaunchly supported the principles of discouraging proliferation of evidence gloomed by a visit how easy it would be to misuse the RBMK compared, say, with the main and what has the RBMK compared, say, with the main and what has the RBMK compared to the cause of the accident and meet every contingency.

different from western reactors, the main aspect with which nuclear power authorities outside the Soviet Uoion are sometimed to flow, freely the main aspect with which nuclear power authorities outside the Soviet Uoion are some the British wrestling at this stage is the salso called for a special cooference of nuclear thousands of acres of agricultural Land and thousands of heeded.

From the other side of the treated as radioactive information to flow, freely the main aspect with which nuclear and a mechanism for information to flow freely.

"Let's all get together and learn from the Russian experience." seems to be bis message. The bas also called for a special cooference of nuclear thousands of acres of agricultural Land and thousands of heeded. national convention on trans-border releases of radioactivity.



will simply sltut themselves

Again. they were worried about the high operating tem-perature of the graphite core, which at 700 degrees C is red hot. This is much higher than the peak for the AGR, and in-creases as the reactor ages, to exceed 1,000 degrees C.

They also concluded that the pressure tubes fitted too tightly into the vertical channels through the graphite core, leaving too little room for escaping steam should a pressure-tube

Given that the design is so

is about its own weaknesses in concrete; the Russians say they nuclear community of the tn seal disaster. Previously it has reactor.

been indifferent to such events. failing last December to attend an international meeting in Rome oo emergency planning for nuclear accidents.

be developed safely through-out the world. His calls are for prompt warnings—even his Scotland has been reclaimed own allies in Eastern Europe in this way, then rebuilt into were not given warnings of a modern facility. what was bappening at Cher-nobyl-and a mechanism for

informing the international are using a similar technique nuclear community of the in seal up the Chernobyl 4 Clean-up of radioactive plant

and facilities is regularly under-taken by the nuclear industry. It normally uses strong deter-gents or weak acids to strip Now Mr Gorbachev is calling away the deposited radio-for an international umbrella substances. Even highly radio-active plant such as a former plant for spent reprocessing plant for spent nuclear fuel at Dounreay in The cleaning fluids must then

lems in the aftermath of the accident.

### The Bank's fearless five

ernor of the Baok of Englaod, apparently had little trouble persuading five wise men to become members of his new Board of Supervisioo. There were more names on the tist, but after Miges! Journal Land but after Nigel Lawson had shown his preferences, the first five to be approached, accepted.

To qualify, they had to be fearless men and true, with obviously, a knowledge of banking. Fearless, because the whole point of creating the board is to have outsiders who will not be afraid to tell the Bank where it is going wrong—particularly in the walke of Johnson Matthey Bankers.

The five were net all trace.

The five were not all traceable yesterday, and some who were, preferred not to talk on the record until they have got a few monthly meetings under their beits. But "interesting and worthwhile" were epithets that cropped up most.

Alan Hardcastie, a partner of Peat Marwick Milebelt, was pleased to have been asked because he thought hard about banking supervision as pre-sident of the Council of the Institute of Chartered Accountants when it was sounded out by the Treasury on the Banking White Paper.

"The board appeals to me

because it's a good mechanism for keeping the system of supervision under review by a group of knowledgeable individuals." Deryk Vander Weyer, deputy chairman of British Telecom. has ohvious credentials for the job: when be ran Barclays Bank in the 1970s he hetped sort out the secondary banking crists. He was then on the Governor's banking supervision after the Johnson Mottbew rescue, and since then has been appeinted to the Court of the Bank of

Peter Graham, senior deputy expected 30,600 live audience. chairman of Standard Char-tered, may not keep that post when Geldof remarked recently

### Men and Matters

Nigel Robson, chairman of the Royal Trust of Canada, demonstrated his independentmindedoess when he resigned as the sole non-executive direc-tor of British Sugar over their

### Work and play

A nevel attempt to fight unemployment, inspired by Irishman, Boo Geldof's Band-Aid and Live-Aid efforts for famine relief, takes place in Dublin tomorrow when people will be invited to pledge jobs and money for job creation during a 14-hour relevised rock concert Adopting the methods of

unemployed has not been with-out controversy, however, and the event will be picketed by left-wingers who say it is for "big bands and big business." The project, titled Self-Aid, has been organised by two pro-ducers at RTE, the stale broadthe backing of state agencies, including the industrial

famine appeals for helping the

It has also attracted an committee that looked into impressive array of Irisb groups. Names such as Van Morrison, Elvis Costello, Chris de Burgh and U2, as well as Geldef and his Boomtown Rats, will be performing free to an

development authority and

long if his bank gets taken over that Ireland could overcome



opening a new supermarket and closing two schools, a hospital and a shipyard"

Unemployment was the obvious problem to tackle. More than 17 per cent of the workhighest rates in Europe—and people under 25 arc especially

Varity or vanity?

Massey - Ferguson's ebutlient chairman, Victor Rice gives credit to his communications director for the chuice of the name Varity Corporation to brush up the new corporate image for the venerable Canadian farm and industrial machinery maker.

But it hasn't taken outsiders long to notice that the first three letters of Varity are also Victor Albert Rice's initials.

worldwide company."
The new name, one of 1,500 generated by a computer, is also a derivative of the Verity Plough which MF began mak ing almost a century ago.

Massey has been part of the company's name since 1847 when Daniel Massey — whose family came to North America from Cheshire bought a small foundry in Southern Ontario to make farm implements and housebold pro MF's deep roots in Canada

help explain why it has main-tained its bead office in Toronto, even though Canada now accounts for less than 5 per cent of sales. In spite of the parent company's name change (to take effect after the annual mceting next month) Massey-Ferguson will continue to be the trade-mark of the familiar red tractors which account for one in every aix bought worldwide.

### Amateur status

Bill Jordan, the youthful-looking new president of the Amalgamated Engineering Union is a renowned opponent of mili-tants in unions — both the industrial sort and members of the Tendency. But yesterday, in a speech

in Scarborough to the EETPU electricians' union, he cast British management in the same

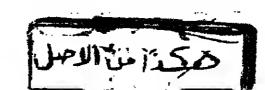
Scathingly attacking the cult of the generalist amateur, he insisted that management was profession, not a flair. Who needs militants," he said of British Industry, "when the place is run by gifted amateurs?"

### Tunnel vision

A colleague travelling through Embankment station on the underground yesterday found the platform in gloom, lit nnly by a few hanging bare light-bulbs. "Building a brighter station" boasted London Transport posters on the pillars.

Observer





POLITICS TODAY

### A machine for the 1990s

By Malcolm Rutherford

ONE OF the signs of change institutes such as the Royal released. There is, therefore, in the British political climate Institute for International a stalemate. Abolition would is the revival of interest in the Affairs, the First Division open the way to a regime reform of the machinery of Association, which represents suspensions. It is at if a charton top civil servants, as well as

the present rrime samster will be leading the Tory Party at the next ganeral election but one. The transition period is therefore beginning.

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भार करी छाउंगी ------

Mrs Thatcher has changed the political ground in many ways. There has been an erosion of trade union power, an end to coporatism and a steady whittling away of the belief that problems can be resolved ample by thereign a property at simply by throwing money et them. No successor government is likely to seek to turn the clock back to the mid-1970s.

There is one problem, however, that the Prime Minister has never tackled. That is the way government works. Is it as efficient as it should be? Why has it not taken up the revolution in business methods and organisation that has been embraced by much of the private sector?

Would it not benefit from more

nf Mrs Thatcher's Policy Unit poses of prosecution almost and now head of the Institute invariably makes the governof Directors. But it would be ment of the day look ridicults. Select Committee of the House have like a reac apart. A common show. Sir John has failed because of the difficulty been careful to gather around of defining more narrowly what him people from research information can and cannot be in the report of the Foreign part of the time, could produce

cares to contribute, preparing to hold another seminar before the parliamentary recess and hoping to produce an altogether more radical paper before the party conferences in the autumn. At the very in the autumn. At the very least, e major debate is under way about the workings of the government machine.

Yet if there is a consensus undertaken, there is far from an agreed solution. Indeed, there may be some inherent contradictions, Some people want to strengthen the executive to make sure that the Government's writ runs, Others

much of the private sector?
Would it not benefit from more npenness and the admission of more outsiders?

It is on this area that thoughts have begun to concentrate. The lead is being taken by Sir John Hoskyns, formerly and now head of the Institute of Directors, But it would be a mistake to assume that it is a failed because of the difficulty

open the way to a regime dependent on discretion and

reform of the machinery of government. It is as if a chapter is coming to an end; all sorts of people want to get into the act of shaping the succession to the years of Mrs. Thistcher.

This is not a prediction that the Conservatives will lose the next general election. It is far too early to make forecasts of that kind and, if pushed, one would still say that the Government which calls experts and political parties of the would still say that the Government which calls for the would still say that the Government which calls for the would still say that the Government which calls for the would still say that the Government is in a position to recover. Yet Mr John Biffen, the Leader of the Honse of Commons, was right when he said in his television interview on Sunday that mobody seriously imagines that the present Prime Minister will ewkward questions about the future. That would educate the Opposition as well as the Gov-

> • The political parties should be state-funded. Such a move would not rule nut voluntary contributions, but it would lessen the dependence of the Tory Party nn business and of the Labour Party on the trade unions. It would also help the Liberal-SDP Alliance. Opposi-tion parties would then have the resources in spend on research as they thought fit.

• The Conservatives when in opposition raised the possibility of a council of economic dvisers, capable of delivering Independent assessments. The dea should be revived. There is a proliferation of academic and quasi-academic institutes in Britain to the point where they tend to cancel each other out. More of them should work reasonal together, rather as the main countrie German economic institutes on or do. It is time to look again at which it the idea of a British Brookings benefit. giving advice on policy and harnessing some of tha best minds in the country.

Affairs Committee on UK-Soviet relations this week, and in the hearings of the Defence Committee on Monday's Defence White Paper, that they are unearthing a good deal of useful information. But they remain immensely deferential. They should create a stir by

demanding information that is withheld and refusing to take no for an answer when witnesses decime to appear. ● The House of Commons should adopt more civilised working hours. It should also admit the television cameras. It is undemocratic to prevent the public from seeing their elected representative at their job. My own view, for what it

 Quite the most radical re-form that could be introduced would be fixed-term parliaments.
 They would end the speculation about when the next general election is going to be. Govern-ments would bave to work to a known time-table.

is worth, is that the public

might be impressed.

All the suggestions put for-ward have been applied with reasonable success in other countries. Here, however, are one or two other squibs from which the British system might The time has come to merge

the diplomatic and the bome civil service. Too many members of the Foreign Office still he-

e greater identity of interest. After all, they all work for the same country.

EDUCASHUN

ISH'T WORKIN

Oxford and Cambridge could become exclusively post-graduate universities. This would reduce some of the re-sentments caused by Oxbridge. It would also produce a real elite rather than an elite that is largely social. The two uni-versities might then become centres of excellence again.

The reforms are designed to bring in more and better talents into the governance of Britain. An underlying theme is the need to promote more inter-change between government and outsiders. All of that is hap-pening, but at a tamentably slow pace. That is why the efforts of Sir John Hoskyns to create a climate of change before the general election are so im-portant. The next government, even if it is led by Mrs Thatcher. needs to know more clearly than before where it is trying to go and bow.

Yet there is a cautionary note. No amount of streamlining or modernising the machinery of government will help if people do not talk to each other. The misbaps of Mrs Thatcher's ad-ministration in the last few months have come about not be-cause of a lack of scientists or nutside expert. They have been the result of plain old-fashioned muddle coupled with personal antipathies.

Over the Westland affair the government machine virtually criterion of "running on a today in Lati broke down because po-one fore-saw that such a relatively small ting must be that she will not. capital cities.

matter could blow into such a storm. If they had been talk-ing more, the warnings would ing more, the warnings would have been there. Similarly, the opposition to an American acquisition of parts of British Leyland should have been seen in advance. Above all, the fiasco of the Shops Bill arose from a failure of communication between the Conservative Party, the Whips' Office and the Government. It did not need a whizzkid to deal with that, only

whizz-kid to deal with that, only

a certain amount of political

110US.

صركة المن الاصل

A case pending is the succes-sor to Sir Keith Joseph as Secretary of State for Education. retary of State for Education. Having fought a previous election on the slogan "Education isn't working," Mrs Thatcher is quite right to want to appoint a senior figure already in the Cabinet. The two obvious candidates are Mr Kenneth Baker at Environment and Mr Peter Walker at Energy. Walker at Energy.

Mr Baker has all the qualifications, but is perbaps ruled out because the Environment Secretary bas already been changed so often that it is better be stay where be is.

No such reservations apply to Mr Walker. He was Minister of Agriculture throughout Mrs Tbatcher's first administration and has been Epergy Secretary ever since. He is a well-known figure in the party and the country and a good administrator. The Prime Minister could appoint blm to fulfil Mr Biffen's

### Capital venture in Argentina

By Robert Graham

NOT EVEN Argentines know This small provincial capital, some 500 miles south of Buenos Aires at the mouth of the Rio Negro, has been chosen as Argentine's proposed federal capital.

In the month since the idea was first floated, the general reaction has been a mixture of disbelief and scepticism. Buenos Aires is so firmly rooted in the national psyche as the capital that a move seems in-conceivable. Yet it would be a pity if the idea was not given a fair bearing. Buenos Aires has come to

play a disproportionately large role in national life. The historic reasons for this are obvious enough. The city is well sited et the mouth of the River Plate, has a good climate and is the hub of a vast railway network.

### Resources

Also, as the principal port in an export-orientated economy, Buenos Aires became the commercial and financial centres of the country. These attractions have acted as a magnet, and Buenos Aires and its surrounding province now account for ing province now account for almost 40 per cent of Argen-tina's 30m population and over 60 per cent of its industry. In a country this size,

development is distorted by such a high concentration of resources, human and economic, in a tiny portion of the territory. A vicious circle grows up whereby civil ser-vants, doctors, engineers, or teachers do not wish to work elsewhere, companies cannot locate elsewhere and people locate eisewhere and people come from elsewhere in find opportunity. Thus the dominance of the capital snowballs, its privileges bolstered by the presence of the most politically articulate groups being based

President Alfonsin wants to correct this distortion and focus attention on the huge underutilised space — and resources—in the interior and south, Similar considerations led to the establishment of Brasilia in the late fifties, And today in Latin America there today in Latin America there are other candidates for a new

The prime example is Mexico very much about Viedma. But City which has attracted around President Raul Alfonsin is it a quarter of Mexico's 78m determined to change all that. people and nearly balf\_its manufacturing nutput. High population growth, uncontrolled urban spread and excessive derivation by the converted mexico City into one of the world's most polluted and unmanageable cities.

Last year's earthquake exposed not merely the city's urban problems but also how

damage to the capital's build-ings and communications could temporarily paralyse the country. But despite talk of decentralisation, the opportunity has been passed over. Prejudices and vested interests are too ingrained.

Peru's President Alan Garcia has encountered the same built-in prejudices in bis efforts to reduce the dominance of Lima, which is 10 times as big as any other city, contains three quarters of all manufacturing. and two-thirds of the country's doctors. In its short existence, Brasilia

has proved a political and psychological success. But it can hardly be described as either an architectural or planning success. Apart from the Presidential Palace and the cathedral there are no architecturla masterpieces and the frequent complaint is that there is a lack of any urban density roads are too wide and distances between everything are too long.

### **Enclave**

Modern architects in Brasilia have not to date heen able to produce agreeable small-scale neighbourhoods that are enjoyable to live in and Brasīlia's depressing diplomatic enclave has only made ambassadors loog for the life of Rio.

While Brasilia was conceived at a moment when architects planners were convinced that concrete and motorways were enough to make a naw city times are different now and President Alfonsin has a remarkable chance to commis-sion a city that will take note of the failures of the wide open spaces of new capitals like Chandigarb and Islamabad. When be advertises for an

urban planner, will anyone be up to the job?

### Prudent conduct in home loans

From Mr R. Beden Sir, Ynur observation (Prudent conduct in home (Prudent conduct in home loans, May 14) that "banks will do their reputation nothing but harm... by offering cheap mortgages to new borrowers, and then locking them into higher rates and charging punitive prepayment penalties" may be true, but only if those who write about the mortgage market devote greater attention to such practices and less tion to such practices and less to simple comparisons of today's mortgage rates. In the current market it is

a sad fact that a lender will build his book faster and make build his book faster and make more profits by alternating periods of very competitive pricing with periods of excessively high mortgage rates, and this is especially true if during the latter periods new horrowers are offered a concessionary low rate. The lender who aims always to deal at a fair margin is these days hardly ever the cheanest— and 50 fair margin is these days hardly ever the cheapest — and so never experiences very high demand — nor the most expensive—and so never makes high profits. Such a lender's consolation is the knowledge that his customers are getting a fair deal, and the expectation that in the long run this will be recognised and rewarded in the market place.

But to encourage the climina-tion of dublous practices I would recommend anyone con-templating a new mortgage to check that the lender undar-taker not to charge existing takes not to charge existing borrowers more than new bor-rowers, and that the lender does not charge onerous penalties for prepayment (one sur share of the total retail month's interest in lien of notice should be quita enough).

The form 0.45 per cent to 1.57 and the control of the total retail sales of Great Britain has moved up from 0.45 per cent to 1.57 and the control of the total retail sales of Great Britain has moved up from 0.45 per cent to 1.57 I would make a further sug-gestion to anyone who has a mortgage: if your lender profit after tax has moved from amounces a special rate for about £2m to £80m per annum new customers phone him, write to him, and play merry hell with him until he agrees to deal on the same terms with you, who should be his valued existing customer, as with

### Letters to the Editor

larly in this way.

I have to agree on two counts. The first is that, ona would assume, most of the investors are professionals who investors are professionals who would surely know the facts without having to read about them in newspaper pages. Second, with conflicting statements following conflicting sfatements, who would one believe, anyway? Better to use the money to ensure an improved and continuous performance by the companies in their ance by the companies in their respective market places! Jack I. Klein. 26 Hays Mesos, W1.

**Partnership** and profit From the Chairman. John Lewis Parnership

John Lewis Parnership

Sir, — Your leading article
(May 13) on profit sharing
referred to our growth as
"unexciting," albeit describing
the John Lewis Partnership as
otherwise "ganerally admirable." My partners are grateful
for tha praise, if tinged, but
may I suggest a different
approach?

approach?
Over the past 25 years the sales of the John Lewis group, already at the nutset a mature business, have increased from £40m to £1.3bn per annum, and our share of the total retail about £2m to £80m per annum over this period, or a fivefold increase perhaps in real terms. If this sort of growth does not excite the Financial Times I have a pretty good idea it would excite a lot of other paoule. excite a lot of other people including governments. Per-

and be would certainly not in our case lest you waste your invest in companies wasting time. On the contrary could it shareholders' money, particubusinesses a growth presumably as welcome as the John Lewis Partnership's ia more likely with profit sharing than without?

P. T. Lewis, Oxford Street, W1

### Independent radio

From the Managing Director, Radio Wyoern.

Sir,—What an appalling indictment on Lord Thomson and his Independent Broadcasting Authority policies for him to edmit in your interview (May 10): "It could be argued that radio has subsidised TV."

radio has subsidised TV."

ITV contractors have an income 15 times greater than the independent local radio network! Even the word network is a suphemism—for what should have been 69 local stations, was halted at 47 when the IBA ran out of cash. This is not surprising when it demands £250,000 for a pair of transmitters which can be erected by specialists for less than a fifth of that sum.

Lord Thomson also says that

Lord Thomson also says that marketing expertise is lacking in ILR. Would it not be more correct to say that stations took on franchises when there was no Channel 4, no TV-am, no prespect of daytime ITV and now a 24-hour test on York-shire TV which will surely spread?

This proliferation of TV airtime has been devastating to radio, yet we are locked under the same master. The several thousand small investors in thousand small investors in local radio are undoubtedly being mulcted for the comfort and convenience of those whn sit in office opposite Harrods. If there is any honour left at the IBA, it is now time to release radio and let us find

we have always argued only that the married man's allow-ance attributable to those used to improve child benefit: the rest should be redistributed amongst pensioners themselves Even so, this still leaves £3.8bn of the total £4.5bn - sufficient to more than donble child

l Macklin Street, WC2

### Tax relief for charities

Sir,-I must endorse the criticisms made by earlier criticisms made hy earlier correspondents regarding the measures proposed under Clause 29 and Schedule 7 of the Finance Bill. These measures can only be described as Draconian, introduced to counter the abuse of the charitable tax privileges hy probably only 1 per cent nr so of registered charities. Their effect would he to outweigh hy far the encouragement to charitable giving given elsewhere by the Chancellor in his budget. budget.

enough. The budgets and cash-flow forecasts of charilles are in disarray and they are at present uncertain as to whether they can fulfil their commit-ments, which may like other organisations be planned for some years ahead. This un-certainty must be removed as which are the organisations the Chancellor is consulting— there is no central representative body?

including governments. Perhaps the growth has not grabbed attention because it is, so consistent year by year, but that is now time to release radio and let us find our own salvation.

No rhyme of season

From the Chairman, Klein Partnership

Sir.—A very sensible letter was published on May 10 concerning the advertising carried out in the spate of take overs, some in the own of the starts of the topic of the spatiants petulantly throwing stones at each other like little stones at each other

RUTH LISTER,

### From Mr M. Nathan

It is no use the Chancelior stating that be is baving talks with representative charitable organisations. This is not good a matter of urgency. Further

It should be obvious which hodies are abusing their charit-able status end the registration of these bodies as charities, could be cancelled, if necessary, retrospectively by the Charity Commission. That body is charged under the Charities Act 1960 with the job of policing charities, but has signally falled to do so. It should be given the resources to do this.

### **LL made** good progress in 1985'

- \* ICL benefited from the strategies implemented in preceding years and has continued its leadership in promoting Open Systems standards for information systems.
- \* New products, many arising from collaborations, came on stream. Increased volumes were handled by new distribution channels.
- \* The effects of staff and management training programmes were reflected in our ability to manage the business in turbulent market conditions.

RESULTS IN BRIEF	1985 £m	1984 £m
Turnover	1037-8	942:6
Profit before Tax	53-8	40.3.
Return on Capital employed	24%	19%
Turnover per employee (£)	£50,300	£43,000

ICL IS A MEMBER OF THE STC PLC GROUP

We should be talking to each other.

### FINANCIAL TIMES

Friday May 16 1986



### Martens stays inside as Belgian union storm breaks

yesterday as if Belgium was grinding to a balt even before today's declared strike of public services, writes Paul Cheeseright in Brus-

There was not much sign of the Government, but then there has not been for several weeks. Senior ministers have shut themselves into a chateau in the Brussels suburbs for a mammoth negotiation on how to clip the official financing deficit by

With tempers rising outside and ministers arguing inside, it ap-peared that the Government, despite a renewed mandate at the polls last October, was under siege. The

reality was more complicated. Certainly the Government's method of doing husiness has handed the political initiative to the unions. Closeted in the chateau, it

Mail deliveries patchy. Continued have been trying to fill. The diffimaintaining links to the Unions. unrest in the coal mines. It looked culty for them is that they are not particularly well-equipped to seize the opportunity.

The Christian Democrat-Liberal stringency. A key element of that its current level of more than BFr ready borne more than its fair 600bn (\$13.4bn) by BFr 200bn - to share of the burden of economic re-600hn (\$13.4hn) by Ber 200nn - worder, in fact, the official borrow-reduce, in fact, the equivalent of Beyond these generalities, how-directors within the from 11 per cent.

What was not clear then, and will only become clear next week, is how and where the cuts will fall. him in his sixth. Under the best circumstances the package would be difficult to put to- one linked to the Socialists, presgether. Under Belgian conditions, it ently in parliamentary opposition. becomes more so because of the the other to the Christian Demo-

VERY FEW trains. Not many buses. has left a vacuum which the unions softer Christian Democrats, often gium. Wallonia, and the Christian signs that the traditional mutual The coalition, in short has been

> busy settling its late for the next three years - if it lasts that long. It was inevitable that the unions coalition under Mr Wilfried Mart- would respond. Although the unemens came back into power on a pro- ployment rute has now dipped to mum to reduce the severity of the gramme of continued economic under 13 per cent, there is an acute lear of more job losses. The unions was to cut the official deficit from argue that the public sector has al-

per cent of gross national product ever, there are divisions within the movement - divisions which pro-tected Mr Martens in his fifth Government and will probably protect

There are two main groupings. need to bring along in tandem hard crats. The Socialists are stronger in line, free enterprise Liberals and the French-speaking south of Bel-

unions in the Dutch-speaking north, Flanders.

For the Socialist grouping, the current series of strikes is a chance to put pressure on the Government ideally to bring it down, at minispending cuts.

For the Christian group, the aim is less clear-cut. Its leaders over the last two days have been stressing the need for dialogue with not only the coalition but private sector employers as well.

This is not surprising. Senior fig-ures in the Martens coalition have sought, successfully so far, to keep the Christian grouping in line begrouping is more acquiescent than

Provided it stays that way, the Government can cope. The union movement divided is an irritant, not

suspicion of the two groupings has begun to reassert itself.

The two acted together in a one day public service strike on May 6. But this time, for the repeat, the Socialist grouping has been trying to spread the strike out from public services like transport and the mail to ministerial and local government offices. That is further than the Christian grouping wants to go and its has been issuing strict instruc-tions to its members only to obey central instructions.

For the Government, then, the situation is messy, but not yet out of control. Its attitude has been hind the government policy. The cool. It is ready to talk to the grouping is more acquiescent than unions, but only within the framework of the spending cuts it intends to make. There is no question, Mr Martens has made clear, of the unions helping to set policy in the

**EEC** curb

on imports

By Nancy Dunne in Washington

PRESIDENT Ronald Reagan yes-

terday imposed non-restrictive quo-tas on white wine, candy, beer and

several other EEC products in retal-

iation for limitations on US grains

and oilseed exports imposed when

Monday.

The White House also made pub-

lic a list of other items which face increased tariffs if the US and the

we cannot overlook the EEC's unila-

teral actions which clearly violate

Gatt rules and affect some of our

most sensitive exports."

The action followed the Presi-

dent's warning on March 31 that

the US would respond in kind to the

EEC's import restrictions in agricul-

tural trade resulting from the Span-

Mr Speakes said the US response

was "fair and measured." The tariff

restrictions will be set above cur-

rent trade levels and will not be

dropped unless US oilseed and

wheat sales to Portugal are limited.

trade will not suffer this year as a

The full list of products to be in

cluded under quotas includes ale

porter, stout, beer, apple or pear

juice, white wines valued at more

than \$4 a gallon, chocolate hars and

candy, and other confectionery

Paul Cheeseright, in Brussel

result of the quotas.

products.

ish and Portuguese accession.

### that is what Shell and British Petroleum have managed in the first quarter, it was perhaps bad timing for BP to release its figures some hours after Shell. BP's replacement cost net profit of £740m was well ahead of market predictions, but after Shell's prodigious £1.3bn it looked much less impressive. What both companies proved con-clusively is that they have been far better than the US majors in gen-US moves erating downstream margins to to counter

compensate for the dip in produc-tion revenues. Although Shell is the acknowledged master of this husiness, BP is no slouch these days. Ouside the US, BP made the same downstream margins, about \$3 a barrel as Shell. It is in the US that BP's problems lie. Standard Oil achieved the rare

has not been thinking in terms of

record oil company profits. Yet in

replacement cost terms; at least,

downstream replacement cost earnings. Messrs Horton and Brown recently despatched from Britannic House - are going to be busy men. But on the stated historic earnings, BP is letting its US subsidiary paint a blacker picture than Shell might do in similar circumstances. Shell Portugal and Spain joined the Com-munity. They will take effect on Oil returns no historic figures into the group, and thus no stock losses, whereas Standard returns UK-style stock losses of £174m. If BP ac-counted for Standard in the way that Shell treats its US subsidiary, then BP's historic cost profits for. the quarter would have been put at almost £200m instead of £22m, and possibly prevented its share price from dropping 10p to 553p, while Shell's gained 8p to 773p. The different response may also reflect suspl-cions that BP is unlikely to increase its dividend even if Shell Transport's sterling dividend increases to match a static pay-out in Royal

> Occasionally Shell gives the im-pression that the oil price fall is of no consequence in any of its husinesses. How else to explain the fact that its non-US production profits were actually up on the last quarter of 1985? A more tangible explana-tion is that Sheil's upstream volumes are about 18 per cent gas, mix of bydrocarbons. There is a built-in lag in European gas sale

from Shell Times are rare these days when Shell Transport the oil sector outshines the rest of the market, but then the market

History lesson

THE LEX COLUMN

reflect the trading conditions of about six mouths ago. Time will inevitably reverse this advantage if oil prices hold.

### Morgan Grenfell

After the Exco-merger solution failed and the rights issue idea was classed as too short term an feat of a drop in both upstream and answer, Morgan Grenfell had to revert to plan a - going public - to find the capital if needed to come out an top post Big Bang. As some, existing shareholders will compete for new shares to keep their hold-ings up, notably Willis Faber which needs to equity account its stake, demand could be sufficient to raise £100m to £f50m.

With the current off-market capitalisation of the group at £450m-plus and assuming that the shares can command a higher price once freely traded, the bank could be valued near to £850m by October, That would put it in the big league of UK merchant banks, but about a million miles below the main players on Wall Street

### Grand Met

While Grand Metropolitan waits for its newer, higher-rated busi-nesses to come through strongly to profits, it must be grateful to its basic activities for keeping the numbers edging ahead. Profits growth from £131.9m to £140.2m for the six months to March came largely out of the supposedly mature brewing, pubs and food divisions. An even greater irony is that the Liggett cigarette business in the US improved profits while fitness prod-

Here currency movements obscure the picture, but it seems that the dilution must have

more important to hard-up eners than bome gyms and ends of designer glasses from the sily acquired Pearle Health in theless Liggett is still for sale the improvement in profits speed up the process Grand could even realise the wholes £100m invested there, m which is in maturing f

stocks.

The problem looming in the ond half is the hotel business, tourists cancel bookings five continental lettels in droves, out a sudden revival profits the bit hard. The pound should in Grand Met's last financial also cutting the pre-tax and Profits of £370m (against £387 without help from a pension day, would put the shares as on a p/e around 12, a rating leaves little scope for outpet

### **News Corp**

When Mr Rupert Murdoel nanced his Fox TV network with \$1bn of junk bonds, no was in much doubt that a ser refinancing operations would low. The Fox bonds 13 per cereio pon, escalating to 15 per looked an uncomfortable looked the News Corp cash flow events. Wapping, while the option to ever into News Corp equity could with everything that is known about Mr Murdoch's attitude to lution. Non-essential assets wo evidently be sold, and as soon

The \$200m of preference on that News is now raising research the Fox bond in having a com sion option, but in no other respe The coupon is some 8 points low and the shares convert into one News's most marketable fringe sets, its 9.5 per cent holding of the Reuters "B" shares. Given a 15 s cent conversion premium and per cent coupon, the conversi may chibble on for some the which is obviously a far bett method of selling the stake — i News and Reuters — than a lan discounted placing. As it happen the News Corp share price has but quadrupled in the last fe months, and a few basis point might conceivably have been say mon stock rather than Reuters B contracts, so that Shell's gas profits cigarettes, pet food and Pepsi are worth avoiding at the price.

### Maxwell plans bid for BA Helicopters

By David Brindle in London

MR Robert Maxwell, the UK newspaper publisher, cable television pi oneer and football club chairman turned up yesterday at the Scottish headquarters of British Airways Helicopters in Aberdeen to declare his intention of huying the compa

Accompanying him on his flam boyant foray into the world of aviation were several trade union leaders who, it is believed, have agreed to back the deal on the basis that 25 per cent of the company share capital is distributed free among the workforce of 850.

Mr Maxwell is thought to be prepared to pay £22m (\$33.7m) for the company, part of the British Airways group, and is believed to have beld discussions with Mr Colin Marshell, BA's chief executive.

The intervention of Mr Maxwell is not the first unexpected development in the course of BA's efforts to divest itself of the helicopters subisidiary. In February, Colo Valley Investments, a property company announced it had negotiated a deal but nothing further has been beard.

The first many BA Helicopters employees knew of Mr Maxwell's interest was the arrival at Aberdeen airport yesterday of his private jet, delivering not only the Mirror Group Newspapers chairman but also senior officials of the workers'

Most of the union leaders had earlier yesterday been at Gatwick airport in southern England, hear ing the grim news of the 1,000 job losses planned by British Caledoni an Airways.

Last night, BA would only con firm that talks with Mr Maxwell were taking place; Mr Maxwell's private office said: "We do not comment on rumours.

Led by the airline pilots' associa-tion, Balpa, unions at BA have been trying to promote a management huy-out of BA Helicopters. The proposed Maxwell deal, which is likely to give the unions seats on the com pany board through the employee share issue, is being seen as a balf-

### Chernobyl toll 'likely to rise'

Continued from Page 1

to the north of Chernobyl, who telephoned a correspondent to claim that they had both gone hald be-cause of high radioactivity, Dr Voronyov said that anybody who had received enough radiation, which be put at 400 rad, to make them lose their trair would be too ill to make a

He was similarly dismisive of EEC sanctions on food products MacBride, winner of the Nobel from Eastern Europe on the Soviet Union, saying "products which are radiated can be easily checked in War. customs offices of our and other

### Morgan Grenfell to seek London share listing

MORGAN GRENFELL, one of London's largest and most successful merchant banks, is to seek a list- currently change hands at around

Stock Exchange.

The move will pave the way for Morgan to raise a substantial amount of capital this year and put it in a better position to compete with leading international banks and securities houses in the world

The listing will be sought as yesterday, ft will probably come in cent. he summer.

Mr Christopher Reeves, the pand in New York and Tokyo, he
Morgan already has 58m shares bank's chief executive, said that, said, where there is "lots of tough,

vately among a number of institu- tal from its existing shareholders, tions and staff of the bank. These ing for its shares on the London
Stock Exchange.

The move will pave the way for listing would improve the shares ability to trade and should enable them to command a higher price on the open market.

Morgan's major shareholders are soon as practicable." Morgan said Deutsche Bank with about 5 per power to belp our clients." be said.

outstanding which are traded pri- while Morgan could raise new capi- well-capitalised competition."

"on halance, now is a good time to go for a listing because we will be able to raise a really sizable sum of selves for the Big Bang." He said that, while Morgan is best known for its corporate fi-

nance and banking business, it is heavily committed to developing its Willis Faber, the London insurance activities in the securities markets. brokers with 23 per cent, and several insurance companies and "We need to feel we have the fire-Morgan also had ambitions to expand in New York and Tokyo, he

EEC do not reach agreement by July I on compensation for lost American grain sales to Spain. Port, cheese, vegetables, brandy, gin, liqueurs are included.

Mr Larry Speakes, the White
House spokesman, said: This is a
dispute the US sought to avoid, but

### BBC study rejects advertising and favours indexed licence fee

BY RAYMOND SNODDY IN LONDON

THE Peacock Committee into the future financing of British broadcasting has rejected advertising on
BBC television for the foresseable
future and will instead suggest the

The committe, which yesterday casting.

Such indexation would, in effect, impose financial restraints on the all its weight behind encouraging BBC because the rate of inflation in the independent television producbroadcasting has in the past consid-tion sector. It will propose that erably outstripped the RPI.

effects of technological progress could be reassessed and the introduction of either advertising on BBC television or a subscription

indexing of the viewers' annual li-fundamental factor behind the qual- the Independent Broadcasting Auity and diversity of British broad-

was putting the final touches to its

By implication, it is also suggestreport, will tell Mr Douglas Hurd, ing that although the era of broadare responsible for selling advertisthe Home Secretary, that the BBC casting satellites and a proliferation licence fee should be indexed to the of new television channels is on the retail price index (RPI) for the next way it may be the mid-1990s before the impact is significant.

The committee will, bowever, put rably outstripped the RPI. there should be a quota, possibly After the indexation period the around 25 per cent, of UK independently produced programmes on British television.

The production facilities of the independents at a fair price, parti- radio authority.

The committee has apparently cularly in the regions such as Scot

thority, should become a standalone company. At the moment, the ing time for the channel.

Peacock has taken the view that Both sides in the dispute have said a "liberated" Channel 4 would increase competition within British

Although the committee, set up by Mr Leon Brittan, the former Home Secretary in March 1985, is leaving the BBC national network intact, it would like to see radical

change over local radio. ft will suggest the co-ordination of commercial and BBC local radio. BBC should be available for use by possibly under a new cost-effective

American Brands' annual meeting

calling on the company to adopt the

MacBride principles in its Northern

Ireland labour policies.

American Brands refused to ac-

cept the resolution on the ground

that the MacBride principles con-

During the litigation in New

York, the British Government sub-

milled written evidence to the ef-

fect that the MacBride principles

flicted with UK law.

### writes: The Community will match the US restrictions, symbolic or not, by measures of equivalent restraint. They will be imposed on a list of 14 US products sold in the Community. Last night, however, the Commis

sion was cautious in its reaction. It noted that it had not yet received information oo either the quota levels or the administrative arrange ments to support them.

### BCal calls for 1,000 jobs to go

Continued from Page 1

days of the raid, BCal had los £3.7m revenue "as a direct result of the Libyan bombing," Mr Coltman

He also blamed the radiation scare from the Soviet reactor explosion at Chernohyl and forecast that this and more fears of terrorist action could cost BCal "a further £25m to £30m.

The sirline intended to redeploy some of its excess aircraft capacity. One DC-10 airliner will he taken off the Atlantic routes and will serve the more buoyant Gatwick to Hong

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### Court boost for Ulster Catholics

BY DAVID THOMAS IN LONDON AND TERRY DODSWORTH IN NEW YORK

companies operating in Northern Ireland the so-called MacBride principles, which are designed to greater access to jobs. The princi-ples are opposed by the British Government.

Although the ruling of the New York court bas no standing in Nor-thern Ireland, it is bound to iocrease pressure from the frish lobhy on US companies with subsidiaries in Northern Ireland, which have resisted adopting the Mac-Bride principles.

The MacBride principles, which are backed by some sections of the Irish lobby in the US and are highly controversial within Northern Ireland, are named after Mr Sean Peace Prize and a former IRA chief of staff before the Second World

The British Government and the Fair Employment Agency, the stat-

there is no legal impediment to US religious discrimination in Northern Ireland, have consistently argued that adopting the principles would entail reverse discrimination give Roman Catholics in Ulster in favour of Roman Catholics and a resolution to shareholders at against Protestants, which would contravene UK law.

tion against anyone.

The British authorities are concerned about the potential disincenuve to investment in Northern Ireland if US companies were forced to adopt the principles, since it helieves that corporations could then come into conflict with law in the province.

The 26 manufacturing subsidiaries of US companies in Northern Ireland account for more than 11,000 jobs.

A NEW YORK court has ruled that utory body charged with opposing against the American Brands tobacco group which has a subsidiary in Retirement System, an influential US pension fund, had wanted to put

> However, a New York district court judge has ruled that although some of the principles might "be viewed as calling for affirmative action, they do not call for discrimina-

fell foul of the UK's Fair Employment Act. However, two British legal experts. Mr Peter Archer, the opposition Labour Party's spokesman oo Northern Ireland, and Mr Christo-

pher McCruddea, lecturer in law at The New York court was asked to
Lincoln College, Oxford, submitted
rule on this issue in a case taken
evidence to the contrary.

The lifting of these restrictions partners as part of the process of strengthening the EEC's internal market - means that for the first time since 1968 France will no longer be seeking exemption from EEC

From the point of view of timing. flows. French Treasury officials the system of controlling bank lend-

1983 cuts the French Government's foreign indebtedness to \$3.7bn - or less than half the level of 1984, Of

munity and \$2.6bn is outstanding In terms of deregulation of the financial markets, the most reaching

ing through credit ceilings. Parallel with this, competition will be encouraged within the bank-

ing system by giving banks free dom to set their own rates on term deposits of more than three months and by abolishing the requirement that the opening, closing and transfer of branches should be subject to official approval.

Among measures intended to broaden the range of money market instruments available to corporate treasurers, Mr Balladur announced that the minimum maturity on cer tificates of deposit issued by banks would be cut to three months (from June) and eventually to 10 days.



Paris eases curbs on capital flows

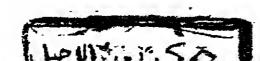
Continued from Page 1

the most unexpected measures an- had earlier been planning to link nounced yesterday were the lifting concessions on this issue to moneof restrictions on capital move- tary negotiations within the EEC in ments. These involve the abolition the Autumn in which France will be of the foreign exchange premium seeking West German support for on purchases by French resident of strengthening the role of the Euroforeign stocks, freedom to buy a second house abroad, to make gifts

The decision to p sets to another country when moving abroad.

second house abroad, to make gills The decision to prepay FFr 1.8hn to non-residents and to transfer as of the loan reassed with the EEC in long sought by France's European this, \$1.1bn is still due to the Com-

on a syndicated Eurocredit. measure is tthe decision to do away regulations on freedom of capital rom the beginning of next year with-





### SECTION II - COMPANIES AND MARKETS

### **FINANCIAL TIMES**

Friday May 16 1986



### More US oil groups forced into write-offs

BY PAUL TAYLOR IN NEW YORK

THE SEARING impact of the oil and energy price slump was dramatically highlighted again yesterday when a string of major US oil and gas companies and an oilfield equipment manufacturer reported equipment manuscumes substantial writeoffs, revised earnngs results, losses and cutbacks. Petro-Lewis, the Colorado-based

oil and gas energy group, reported a \$346.9m fiscal third quarter net loss in the quarter ended March 31 after taking a \$332m writedown on oil and gas properties. The latest loss with a more modest \$5.1m loss in the year-ago quarter and came on revenues which plunged by 32 per cent to \$44.26m

Dresser Industries, the major Dresser Industries, the major worldwide oilfield equipment and services group, said fiscal second quarter net earnings fell by 94 per cent to break-even level. Dresser posted net earnings in the quarter ending April 30 of just \$1.4m or 1 cent a share compared to net earn-ings of \$23.3m or 31 cents a share a

**Pharmacia** 

weak dollar

PHARMACIA, the Swedish pharm-

aceutical and biotech group, report-

ed a 12 per cent increase in pre-tax profits for the first quarter of 1986,

despite the negative impact of the

The company, which is 40 per cent-owned by the Volvo motor, en-

the three months improved by 4 per

By Our Financial Staff

weakened dollar.

outpaces

year earlier. Revenues fell by 8 per cent to \$956m from-\$1.04bn.

Mr John Murphy, Dresser chair-man and president, cited "the ex-tremely rapid decrease in oil and gas drilling, particularly in the US." He said the decrease in drilling activity began in mid-January as a re-sult of declining oil and gas prices and has been "in virtual free fall"

fell by 70 per cent to \$11.7m or 15 cents a share from \$38.6m or 51 cents a share on revenues which edged down to \$1.88bn from \$1.94hn.

Pennzoil, the Houston-based energy group battling with Texaco in the courts, restated first quarter net profits of \$42.3m to show a loss of \$16.14m because of the recent US Securities and Exchange Commission (SEC) decision requiring companies to write down the value of

As a result of the SEC decision, Pennzoil said its 48.7 per cent owned affiliate, Proven Properties, wrote down its oil and gas proper-ties by about \$120m. Penazoil's share of this charge was about \$58m or \$1.42 a share.

Coastal, the Houston-based dive sified energy group, said it had shut down 53 per cent of its gas produc-tion in south and west Texas because of current weak prices for oil and gas. The group, which last year acquired American Natural Re-sources, n major gas pipeline com-pany, added that it was studying other wells that could be shut down without damaging the producing reservoir or violating lease provi-

Separately, Ashland Oil, the US oil refiner and petroleum products group, revised its employee benefits plan covering 8,000 salaried employees and recovering between \$200m and \$300m in excess pension their oil and gas properties quar- assets which will be used for general corporate purposes.

Dome deficit widens

### Biotechnology venture for Kodak

By Our New York Staff

EASTMAN Kodak, the US photographics products and chemicals group, yesterday extended its push into the pharmaceuticals business by announcing a joint venture agreement with Cytogen, a Prince-ton, New Jersey-based biotechnolo-

gy company.

Kodak will acquire a 16 per cent stake in Cytogen for \$15m and spend up to 56m over a three-year period to fund the development of cancer treatment products. The agreement is the latest in a series of joint ventures by Kodak's new Life Sicences division.

### **USAF** contract for Snecma

By Our Paris Correspondent

SNECMA, the French state controlled aero-engine group, has a half share in a \$461m order received from the Pentagon to provide new engines for the US Air Force's fleet of Boeing KC-135

International, a joint venture be-tween General Electric of the US and Snecma.

### **Baxter Travenol**

BAXTER Travenol, the US pharma-

### share sale for Crédit Lyonnais By David Marsh in Paris

FFr 2.5bn

CREDIT LYONNAIS, the second largest french nationalised bank, yesterday announced a FFr 2.5bn \$359m) issue of non-voting shares lesigned to bolster its capital resources.

The bank also said its consolidated net profits rose 17.9 per cent last year to FFr 1.2bn. This was a similar increase to that already announced for parent company earnings, which rose 19.8 per cent to FFr 442m.

The issue of certificats d'investissements or CIs will not give holders preferential dividend rights, in line with the issue of FFr 5.3bn recently made by Banque Nationale

Credit Lyonnais follows a stream of other top French banks in launching the CIs. The issues pave the way for possible denationalisa-tion by giving the state the opportu-nity eventually to change non-vot-ing shares into full voting equity. However, Credit Lyonnais - re-garded as having the least healthy balance sheet of the big French banks - is not considered n priority candidate for outright denationali-

### Gould charge results in \$115.1m loss By Our New York Staff

GOULD, the US electronic, compu ters, instrumentation and defence systems group, said yesterday that it has taken a \$130m special charge against first-quarter earnings to reflect estimated losses on fixedprice defence contracts.

BY DAVID BROWN IN MUNICH

BMW, the West German car and

motorcycle manufacturer, reported

parent company turnover up hy 2.5

per cent to DM 5.3hn (\$2.4hn) in the first four months, but it expects both sales revenue and earnings

this year to stabilise at 1985 levels.

ny net profit declined from DM 329.8m to DM 300m, in the face of

sharpening competition on its im-

DM 12.50 per share, in contrast to

its rival Daimler-Benz, which raised

its 1985 payout by DM 1.50 to DM 12

per share, and added a one-for-

seven bonus issue. Mr Eberhard von Kuenheim, the

chief executive, admitted the group

falled adequately to anticipate the demand for diesel powered cars, and had been unable to introduce

its own version until late last year.

BMW's West German market

per cent. This compares with 6.2 per

portant home market.

BMW announced parent compa-

The Illinois-based group, which earlier reported net earnings of \$14.8m or 33 cents a share in the first quarter, said that after the charge it has restated its first quarter earnings to show a \$115.1m loss. The latest charge, mainly attributable to its Navcom systems divi-

sion, follows a \$6.7m charge taken against 1965 fourth quarter earn-

cent for all of 1985 and 6.8 per cent series plant in Regensburg will not last year fell by 9 per cept to 148,000

However, the group managed to raise 1985 unit sales in the US by one-quarter to 88,000 units despite weaker overall market, and total foreign deliveries rose by 7 per cent

Home market rivalry

hampers BMW growth

Despite the slip in market share domestic registrations picked up in As a result, it is maintaining its the first quarter by 12 per cent, and accounted for just under a third of the total 152,000 vehicle output for dividend at the previous level of the period.

Diesel-powered and catalytic con-

verter equipped cars now each make up a quarter of domestic sales, and the group was able to through price increases of about 8 per cent late last year.

Despite the recent addition of special shifts, however, BMW bas

not been able to keep pace with demand, and the waiting list for some share nt the end of April stood at 5.4 cars has grown to six months. Moreover, the group's new 300-

in 1984. Total domestic deliveries open until late this year, and will only slowly build up to an annual production of around 40,000 cars. A new top of the line 700-series will be introduced later this year.

The Regenshurg plant is part of a DM 10bn six-year investment plan

BMW's bopes of acquiring a con-trolling stake in the Messerschmitt-Bolkow-Blohm (MBB) aerospac and defence group were dealt a set-back by the state of Bavaria's recent announcement that it was unwilling to part with its total 25 per

BMW's interest in MBB mirrors acquisition moves by Daimler-Benz and General Motors of the US to broaden their high-technology in-

Overall, BMW expects slightly higher auto production this year. Motorcycle output is expected to remain at roughly the same 37,100 un-

### Bilfinger and Berger cuts payout to DM 9

BY PETER BRUCE IN BONN

BILFINGER and Berger, one of West Germany's biggest construc-tion groups, is cutting its 1985 divi-dend from DM 10 to DM 9 following er's foreign markets was contract-

Construction activity in West evertheless feit able to describe the group's performance last year

Although domestic activity was a 35 per cent drop in net profits to ing quickly and he hinted at signifiDM 14.6m (\$6.65m). The group's cant, though unspecified, rationalichairman, Mr Christian Roth, sation measures to cope. The group warned in Mannheim that 1986 could be even more difficult.

Mr Roth said the chief causes of Germany is at a post-war record the collapse in foreign orders were low, forcing hundreds of smaller low oil prices, which bave hit Midcontractors out of business it is a die Eastern customers, and diffi-measure of the scale of this crisis, culties in Libya, a major market, and of the cushioning provided by where the value of work done this foreign contracts, that Mr Roth year would probably balve In all, the group is expecting to sidiary of the company in which complete projects worth DM 28bn Nippon Kokan of Japan has taken a this year

### **National** Intergroup deeper in loss

By Terry Dodsworth in New York

NATIONAL Intergroup, the US steel and distribution company which has been steadily moving out of the metals business, slumped more deeply into loss in the first quarter of this year, when it was hit hy heavy charges in its oil and steel services subsidiaries.

Net losses amounted to \$58.9m, or \$2.86 a share, against \$17.9m, or \$1.08 a share, in 1985. Sales jumped to \$923m from \$101m, with the big jump mainly attributable to the acquisition of the Permian oil gathering and distribution company in August of last year.

This year's first quarter is being treated as a separate period and will be shown as such in future income statements. The company said it is moving to a fiscal year beginning on April 1 to reflect the recent acquisition of FoxMeyer, a pharmaceutical distribution business which uses a reporting year corresponding to other leading companies in its sector.

Mr Howard Love, chairman of National and the main architect of its restructuring, said the acquisi-tion of FoxMeyer and its growth potential should contribute to improved results as the company begins its new fiscal year. He said all of the group's businesses were ex-pected to show substantial improvement in the current year.

Total charges in the quarter came to \$46.4m, including \$28.2m for the reduction of inventory values in Permian, \$7.5m related to the proposed sale of substantially all of the materials distribution business, and \$12.7m for the write-off of miscellaneous investments and facilities.

The results also include a net equlty loss of \$19.7m representing the 50 per cent share of the losses of National Steel, the former steel sub-50 per cent stake.

All of these Warrants have been offered outside the United States and may not at any time be offered or sold in the United States or to citizens or residents thereof.

New Issue / May, 1986

### Phibro-Salomon Inc

**Treasury Note Calls** 

500,000 Warrants to Purchase 8% U.S. Treasury Notes due February 15, 1989

> Each Warrant entitles the holder thereof to purchase \$1,000 in principal amount of 8% United States Treasury Notes due February 15, 1989.

### **Salomon Brothers International Limited**

LONDON: One Angel Court, London, EC2R 7HS, England NEW YORK: Salomon Brothers Inc, One New York Plaza, New York, NY 10004 TOKYO: Salomon Brothers Asia Limited, Fukoku Seimei Bldg., 2-2 Uchisaiwai-cho, 2-chome Chivoda-ku, Tokvo 100, Japan ZURICH: Salomon Brothers Inc, Stadelhoferstrasse 22, 8024 Zurich, Switzerland

### cent to SKr 889m (\$123m). After tax, profits were SKr 155m, against C\$469m. The company said that, based on US accounting principles, a write and marketing which has increased Earlier this year Pharmacia announced a 16 per centrise in profits down of its oil and gas assets total-for the whole of 1985, but warned ling C\$564m net of deferred taxes side sources for petrol. down of its oil and gas assets total- the company's dependence on out

that growth during 1996 was likely would be required. Such a write to be slower.

Novo Industri, a Danish rival to quarter loss to C5632m. Done said with the latter's agreement reached Pharmacia, also reported a first inat the writedowns were not re- after Mesa failed to take over the ness in the dollar. Novo pre-tax earnings fell to DKr 180m (\$23m)

\$80m. a performance which Novo said was broadly in line with group Novo, which is listed in London

and New York, is the world's big-gest producer of industrial enzymes. It has suffered declining profits in both 1985 and 1984.

quarter result checked by the weak-

from DKr 262m. Turnover dipped from DKr 1.07bn to DKr 1.01bn, and profits after tax fell to DKr 121m from DKr.

### as oil price slumps

THE SLUMP in oil and gas prices tax credit of \$24m.

ergy and foods group, says sales for C\$6bn, suffered a decline in operating income from C\$196m to C\$60m. Revenues fell by 20 per cent to gallon sales of petrol and distillates.

ing most principal and interest pay-ments. It has received waivers from lenders on payments due to May 29, pending the outcome of negotia-

The revised repayment schedule will supersede n debt rescheduling plan implemented last year before the collapse in oil prices.

The latest quarterly returns inpushed up Dome Petroleum's first-quarter loss to C\$72m (US\$52.3m) sale of 10m shares in Dome Mines. quarter loss to C\$72m (US\$52.3m) sale of 10m shares in Dome Mines, equal to 24 cents a share, from First-quarter income from oil and C\$23m or 10 cents a share, a year gas operations was almost halved earlier. The latest loss was after a Amoco, the large US oil group plans to discontinue the sale of oil The Calgary-based company, products including petrol and home which has debts of more than heating oil, in five states of the US within about a year. The move involves about 4 per cent of its 10.9bn

Dome is at present in the process of renegotiating debt repayments with its 56 international creditors.

The company has proceed and a shares subject to condition to condition. persed among many buyers.

Tosco, the big independent US

oil refiner, has revised its firstquarter net loss upwards to \$100.77m, from the \$55.77m originally reported. The revision reflects a \$45m writedown of oil and gas as a result of the new SEC requirement on valuation of these assets.

transport aircraft.
The order was awarded to CFM

ceutical and medical services group, is on track to meeting analysts extations of earning 15 to 20 cepts for the second quarter and 70 to 80 cents for the full year. Due to the omission of a line in processing, the quarterly figures were nttributed to the full year in yesterday's report.

### Concurrent loss hits Perkin-Elmer

BY OUR NEW YORK STAFF

PERKIN-ELMER, the US high-technology group, yesterday posted a 14 per cent decline in fiscal third quarter net earnings citing, in part, losses at Concurrent Computer, the super-minicomputer group which was spun off as a separate company late last year. Perkin-Elmer retains an 82 per cent equity stake in Con-

Perkin-Elmer said net earnings

For the nine-month period, Per-

\$18.5m or 40 cents a share from and chief executive, said third quar-\$21.6m or 49 cents a share in the ter results were affected by a previyear-ago period. Sales slipped to ously projected loss at Concurrent \$329.7m from \$339.6m. Computer.

lin-Elmer reported net earnings of \$52.1m, down from \$57.8m or \$1.30 a share in the year-ago period on sales which fell to \$940.7m from

share profit in the year-ago period. The small loss come on sales which

\$724,000 or 6 cents a share net loss for the fiscal third quarter compared to a \$3.99m or 42 cents a

### Mr Horace McDonell, chairman fell to \$56.9m from \$66.36m. in the quarter ending April 30 fell to Oerlikon downgrades sales forecast

BY JOHN WICKS IN ZURICH

cent in view of exchange rates. Although company chairman Dr there was a lack of new business in Districh Bührle believes the dollar conventional military products. could strengthen again by the end However, he disclosed that the of the year, he said in Zurich yes company hoped there would be a terday that "there were no signs of a further improvement in profits."

Last year, consolidated earnings rose from SFr 15m to SFr 37.3m despite a 1.3 per cent drop in turn-over to SFr 4.86bn. Net profits of parent company Oerlikon-Bührle Holding of SFr 15.9m were "only just enough to justify the planned resumption of dividend payment, said Dr Bührle.

OERLIKON-BÜHRLE, the Swiss He explained that the recent SFr industrial concern, has downgraded 1bn Canadian army order for the industrial concern, has downgraded 1bn Canadian army order for the industrial concern, has downgraded 1bn Canadian army order for the industrial system in 1988 sales growth projection group's Adais missiles system would not show up in corporate action 1998. In the meantime, cant in view of exchange rates.

company hoped there would be a further Adats order placed within Bührle had "very good chances" in of electronic drives and motors in the US. Contraves and its own Italian the Martin Marietta group as a ian subsidiary will also carry out partner—while there was interest deliveries to the Canadian project.

The machinery division are though sales will remain below the 1982-84 average. In the consumer goods field, the Bally shoe group expects a slight decline in profits owing to relocation the system in another Natureous. the next 12 months. Oerlikonin the system in another Nato coun-

try and on the part of a third gov- to show a profit this year, though ernment, he said. Until then, the group is faced

tion costs for Adats and the respon-sible subsidiary Werkzeugmaschin-enfabrik Oerlikon-Bührle remains in the red. Elsewhere, the Zurich-based pro-

with new development and prepara- to lack of available capacity.

duction subsidiary Contraves expects a "continuation of its favourable development" in 1966, despite military products division so far this year and problems in the field The machinery division expects

1985 growth rates in the machine-

tool sector cannot be repeated due

gy company Balzers expects "excelent results" and is to expand activisees a better year despite problems with an oil industry-linked subsiddisappointing order inflow in the iary in Houston. The aircraft sub-division is set to turn a 1985 loss into a profit this year though sales will

Brazilian chemicals unit and despite a small overall rise in turnover. Results should "remain satisfactory" in the textiles sector.

LINFIN CORPORATION

Notes due 1995 For the three months 14th May 1986 to 14th August 1986 the notes will carry an interest rate of 71/16% per annum with an interest amount of U.S.\$902.43 per U.S.\$50,000 nominal. The relevant interest payment date will be 14th August 1986 Listed on the Luxembourg Stock Exchange

Company, London

Agent Bank

U.S.\$300,000,000—SERIES 30 ASESORES DE FINANZAS, S.A. DE C.V (Organised under the lows of the United Mexican States Short term Notes Issued in Series Under a U.S.\$300,000,000

Note Purchase Facility Agreement Guaranteed by Citibank, N.A. Notice is hereby given that the above Series of Notes issued under a Note Purchase Facility Agreement dated August 12, 1982, will carry on interest Rate of 77/6% per distant. The Maturity Date of the above Series of Notes will be November 16, 1986,

May 16, 1986 Landon By: Gibbank, N.A. (CSSI Dept.), Agent Bank CITIBANG

U.S.\$275,000,000 Collateralized Floating Rate

### INTL. COMPANIES & FINANCE

### Laidlaw raises Mayflower bid

LAIDLAW Transportation, the Ca-nadian school bus and waste management group, has increased its US\$216m, or \$28 a share, cash tender offer for all the common shares of the Mayilower group to US\$29.25, our Financial Staff

Laidlaw said the new offer, which alues the Indiana furniture mover cause of the price levels of trading in Mayflower shares since Laid-law's original offer last week.

al, among other things, on receiving a minimum of 3,360,000 common shares of Mayflower

### Massey-Ferguson changes name

BY BERNARD SIMON IN TORONTO

distance itself from its recent image as a financially troubled company dependent on the farm equipment,

Laidlaw said its offer is condition

The new name, which will take

MASSEY-FERGUSON, the Canadi Toronto. Mr Victor Rice, chairman, my last week reputies an farm and industrial machinery also said that Massey was working USSI 9m for the year a maker, is to change its name to Varon a major acquisition which will have said. We said ity Corporation as part of efforts to graft another division on to the

meeting, will apply to the parent. The name change comes less. Massey is the second company but not to individual production a week after completion of a far. American company for d

All of these securities have been sold. This announcement appears as a matter of record only.

April 1986

### /AYXX CORPORATION

2,000,000 Shares

Common Stock

L. F. ROTHSCHILD, UNTERBERG, TOWBIN, INC.

Ireland £50,000,000

Floating Rate Notes 1993 In accordance with the provisions In accordance with the provisions of the Notes, notice is hereby given that the rate of interest for the three months period 14th May, 1986 to 14th August, 1986 has been fixed at 10% per cent. per amum. Coupon No. 11 will therefore be payable at £657.71 per coupon from 14th August, 1986. S. G. Warburg & Co. Ltd.

U.S. \$200,000,000 First Chicago Corporation

Floating Rate Subordinated Notes due 1992

visions of the Notes notice is hereby given that the Rate of Interest for the next Interest

The Coupon Amount payable on the 19th August, 1986 will be US\$181.44.

Manufacturers Hanover Limited



**New Zealand** 

Floating Rate Notes 1997

In accordance with the provisions of the Notes, notice is to 14th August, 1986, the Notes will bear interest at the rate of 10¼ per cent. per annum. Coupon No. 4 will therefore be payable on 14th August, 1986 at £1291.78 per coupon from Notes of £50,000 nominal and £129.18 per coupon from Notes of £5,000 nominal.

> S.G. Warburg & Co. Ltd. Agent Bank

All of these securities have been sold. This announcement appears as a matter of record only.

ALLIED-SIGNAL INC.

U.S.\$100,000,000 8% Bonds Due May 15, 2006

Issue Price: 99 1/2% accrued interest, if any, from May 15, 1986)

Goldman Sachs International Corp.

Commerzbank Aktiengesellschaft

Fuji International Finance Limited

Mitsui Trust Bank (Europe) S.A.

Yamaichi International (Europe) Limited

LTCB International Limited

**Orion Royal Bank Limited** 

**Daiwa Europe Limited** 

Mitsui Finance International Limited

Dai-Ichi Kangyo International Limited

Kidder, Peabody International Limited

The Nikko Securities Co., (Europe) Ltd.

Mitsubishi Finance International Limited

Dresdner Bank Aktiengesellschaft

Bank Leu International Ltd

Société Générale

May 1986.

New Issue

NZ \$100,000,000

### **Monsanto Company**

16.45% New Zealand Dollar Notes Due May 1, 1989

Bear, Stearns & Co. Inc.

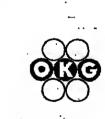
**The First Boston Corporation** 

Goldman, Sachs & Co.

Merrill Lynch Capital Markets

Morgan Stanley & Co. Prudential-Bache Salomon Brothers Inc. Shearson Lehman Brothers Inc.

April 1986



This announcement appears as a matter of record only

(Incorporated in Sweden with limited liability)

Danish Kroner 250,000,000 83/4 per cent. Notes 1992 Issue Price 100 per cent.

Svenska Handelsbanken Group Copenhagen Handelsbank A/S Enskilda Securities

Banque Internationale à Luxembourg S.A. Berliner Handels- und Frankfurter Bank Crédit Commercial de France Den Danske Bank Deutsche Bank Capital Markets Limited Generale Bank HandelsBank N.W. (Overseas) Limited

Algemene Bank Nederland N.V.

Manufacturers Hanover Limited Morgan Guaranty Ltd Nonsura International Limited Post- och Kreditbanken, PKbanken

Société Générale SwedBank

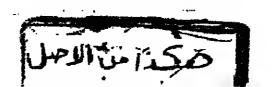
Girozentrale

Banque Bruxelles Lambert S.A. Banque Paribas Capital Markets Limited Commerzbank Aktiengesellschaft Credit Suisse First Boston Limited Den norske Creditbank Dresdner Bank Aktiengesellschaft **Hambros Bank Limited** Kredietbank International Group Merrill Lynch Capital Markets Morgan Stanley International Nordbanken Privatbanken A/S

Sparekassen SDS

Union Bank of Finland Ltd

Westdeutsche Landesbank



### INTL: COMPANIES & FINANCE

### Carrian may repay up to 24% of claims

ame

A200 1:00

CREDITORS of Carrian CREDITORS of Carrian Investments, the Hong Kong property and shipping company which collapsed in 1983, may recover as much as 24 per cent of the HK\$2.7hn (US\$345.6m) outstanding claims against the

This emerged in a letter to creditors from Carrian's liquidators, summarising progress in recovering funds and assets which they now estimate to total HK\$647m.

The courte-produced liquidation of the courte-produced in the courte

mate to total HK\$647m.

The court-appointed liquidators also disclosed that they had filed a writ last December accusing Price Water-house, the accounting firm which acted as auditors to Carrian, of negligence and breach of duty.

Two former employees of Price Water-house are standing trial in Hong Kong on charges of conspiracy to defraud. A partner in the form said, however, that it had not yet been served with the writ, which he viewed as "only to keep their options open."

Hill Samuel takes

action against brokers HHL. SAMUEL Merchant
Bank Asia said it had sued
four Singapore stockbroking
honses exposed to forward
contracts for a total of
\$14m (US\$6.32m), Reuter
reports from Singapore.
The four are Associated
Asian Securities City Securi-

Asian Securities, City Securi-ties, Lim and Associates, and Tsang & Oog. Mr Nick Willan, managing

director, said the bank is making a \$326m provision for possible losses after stock market problems following the Pan-Electric liquidation.

Pioneer Electronic back in the black PIONEER ELECTRONIC, the Japanese maker of audio equipment, produced consolidated net profits of Y2.35bn (\$14.4m) in the first half to March, a turnround from a Y390m deficit, writes Yoko

Shibata in Tokyo. The negative impact from The negative impact from the years appreciation was offset by strong sales of new products including compact disc players and video equipment. Overall sales were vise. Sales, up 8.5 per cent. They reflect parent company pre-tax profits of \$5.76m, up 146.9 per cent. Pioneer has been restricturing its

Palabora Mining increases dividend PALABORA MINING, the South African copper pro-ducer in the Rio Tinto-Zinc group, is raising its first quarterly dividend for 1986

### Cathay Pacific dealings test Hong Kong Exchange

BY DAYID DODWELL IN HONG KONG

THE CAPABILITIES of Hong Kong's new, fully computerised, unified stock exchange were put to the test yesterday as hectic first-day dealings in Cathay Pacific Airwaye resulted in one of the heaviest trading sessions

A total of 85m Cathay shares were traded—worth HK\$446m (US\$57.im) and accounting for more than half of the HK\$816m volume. With 397m Cathay shares currently tradable, one in five of the available shares The rest of the market wilted, times over however, with the Hang Seng HK\$52bn.

index, the main indicator, falling 26.51 to 1,794.17. Dealers suggested that the weight of dealing in Cathoy shares which are not yet a component of the index—meant that com-paratively small business in other blue chips was oble to

times the total of notes and coin in issue in Hong Koog put extraordinary strains on the domestic banking system and bank interest rates over the

Cathay sbares were offere than usuel.

The Cathay Pocific flotation—
of 15 per cent of the airline's share capital, and worth HK\$1.54bn—was the largest ever mounted in Hong Kong. The issue was nevertheless 32 times oversubscribed, attracting HK\$5.2bn.

at hK\$5.00 a junction of the day hK\$5.10 end rose rapidly to HK\$5.20. This elosing price provided many immediate self-ers with e profit of more than 30 per cent their original investment. at HK\$3.88 a share, but deelings opened yesterday at HK\$5.10 end rose rapidly to

### Westpac growth held in check

WESTPAC Banking Corporation, Australia's largest com-mercial bank, suffered a narrowmercial bank, suffered a narrow-ing of interest margins and a decline in growth for non-interest income in its balf-year to March, with net earn-ings emerging only 5.8 per cent higher at A\$196.1m (U\$\$139.5m) compared with

The bank warned that this performance is unlikely to be sustained on a full-year basis

ings for its last full year totalled A\$368m.

The bank also revealed it expected to pay a total of £67.5m (\$103.9m) for the interests of Johnson Matthey Bankers which it is purchasing in the UK. This would include a £17.5m goodwill payment.

and uncertainties in the A\$2.27bn. Non-interest operatinterest rate attructure. Earning costs, including depreciaing costs, including depreciation, climbed 19 per cent to A\$1.03bn. This left pre-tax pro-fits 2 per cent higher at A\$345.4m.

The interim dividend is up from 13 cents to 14 cents a share on increased capital drawn from earnings per share of 38.8 cents compared with Group revenue rose 30 per 45.3 cents unadjusted, or 36.9 cent to A\$3.64bn while interest costs jumped 40 per cent to rights issue. 45.3 cents unadjusted, or 36.9

### Kyocera suffers first fall in eight years

KYOCERA, the leading yen's steep approximately the dollar.

Japanese maker of integrated the dollar.

Net profits fell 38.5 per cent to Y19.43bn, on turnover of to Y39.27bn (\$240.4m) in the Earning per share dropped to Y129.53 from Y210.75.

Color of semiconductor company processes and the profits are the dollar.

Net profits fell 38.5 per cent to Y19.43bn, on turnover of the parent company processes are the dollar.

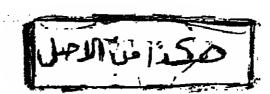
Net profits fell 38.5 per cent to Y19.43bn, on turnover of the parent company per share dropped to Y129.53 from Y210.75.

year to march, its first year-to-year fall in eight years, writes Yoko Shibata in Tokyo.

The decline was attributed to the microchip recession and the

believed to heve bottomed out in the third quarier. Electronics components held up reasonably well, with sales firming by 0.

per cent.
The company announced yesterday that it is to cut bonuses for its directors by 33 per cent and reduce board salaries.





AT&T has established a controlling interest in AT&T Microelectrónica de España, S.A., a new joint venture with

Compañía Telefónica Nacional de España, S.A.

The undersigned acted as financial advisor to AT&T in this transaction.

Morgan Guaranty Trust Company of New York

### Reunert dives into loss

BY JIM JONES IN JOHANNESBURG SUBSTANTIAL CUTS in capital

spending by Sonth Africa's state-owned industries severely affected the first-half profit per-formance of Reunert, the Barlow Rand Group's electronics, telecommunications and electri-cal equipment arm.

The directors believe second-

(\$186.9m) in the six months to March from R391.9m followto March from R391.3m following losses by two electrical engineering divisions, the interim pre-tax loss was R8.6m against profits of R10.3m.

One of the electrical engineering divisions has been closed engineering divisions has been closed.

An interim loss of 25.4 cents a share was suffered against earnings of 18.6 cents. A divihalf results will be better, but a share was suffered against warn that an attributable loss carnings of 18.6 cents. A divisualization of the first six months will not be recouped.

Turnover rose to R4045m of 10 cents was paid

### FSF COMPANY RESULTS

MAKINO MILLING MACHINE MACHINE TOOLS	PROCESSED FOODS
Year to   Mer 786 Mar 785   Year to	Year to Mar '86 Mar '85 Y Y Revenue (bn)
MITBUI REAL ESTATE DEVELOPMENT PROPERTY	YASKAWA ELECTRIC INDUSTRIAL MOTORS
Year to Mer '86 Mer '85	Year to Mar 85 Mar 85
Revenue (bn)	Revenue (bn)

### SAMSUNG ELECTRONICS CO., LTD.

notice to the holders of U\$20,000,000 5 percent convertible bonds 2,000.

NOTICE IS HEREBY GIVEN TO THE HOLDERS OF ABOVE BONDS THAT: the Board of Directors Meeting of the Company, held on May 2, 1986 resolved to issue NEW SHARES under the following terms and

- 1. Form and Number of shares: 20,000,000 ordinary shares in registered form.
- 2. Issuing Method: (1) 10,000,000 shares (50%): to be allocated at par of 500 Korean
  - (2) 10,000,000 shares (50%): to be allocated at the price of 1,100 Korean Won
- Allocation of New shares:
- 2,000,000 shares (10%) of the New shares shall be allocated for the subscription of employees of the Company according to the Law on Fostering the Capital Market in Korea, and remaining 18,000,000 shares (90%) shall be allocated to the shareholders registered on May 31, 1986 at 13:00 in the proportion of 0.16363636 share per one
- 4. Subscription Period: June 27, 1986 June 28, 1986
- 5. Payment Date: June 30, 1986
- Fractions of shares and unsubscribed shares shall be disposed by Resolution of Board of Directors Meeting.

Bondholders should Contact the Trustee for the further information.



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FRENCH FINANCIAL DEREGULATION

### Balladur attacks high interest rates

measures announced yesterday by Mr Edouard Balladur, the treasury management and also French Finance Minister, is the start-up of a commercial designed to allow the benefits paper market in Paris last of lower French inflation to be passed on as effectively as the introduction of a similar possible in the form of lower market in London), big French interest rates for industrial and personal borrowers.

Over-regulated and compartmentalised financial markets,

chipping away gradually at over-regulation. This included praiseworthy moves to bring in innovative instruments to improve the workings of the Paris markets.

In deciding further deregulatory measures, along with a general lowering of interest rates, Mr Balladur has decided that a more global presentation

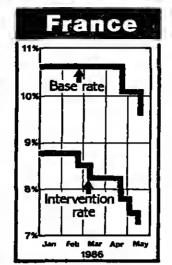
THE SERIES of financial biggest of these hurdles. Thanks to more innovative total deposits.

But the blg banks bave been very slow in bringing down and a top-heavy banking system, ere now recognised in France as representing clear barriers to the modernisation of the economy.

Mr Balladur's Socialist predecessor, Mr Pierre Beregovoy, adopted a piecemeal approach, pares with an inflation rate of chipping away gradually at the convergence of th

The Government has prodded the banks into the latest base rate reduction—the second since the March 16 election—by lowering administered savings interest rates by 1.5 points, reducing the rate on main deposit accounts to 4.5 per cent. Following the sharp fall In capital market yields, these accounts have lately been offer-

absorbs about 7 to 8 per cent of gramme. But they are likely to



ots! deposits. continue to be very cautious Mr Balladur has taken a conthe start-up of a commercial spicuous step in opening up signalled however the bringing paper market in Paris last these networks to more comin of charges for cheque petition through abolishing the accounts at the end of the year a move which will be uppopular with personal account holders

On the financial market side, lower to three months (from next month) and eventually to 10 days (from March 1987) the minimum maturity of certificates of deposit issued by banks. Companies will be able to issue commercial paper with a maximum maturity of two years from the mouth company with six next month, compared with six

Banks will be able to fix freely interest rates on term deposits of more than three months—another move to allow interest rates to be set by competitive pressures.

Additionally, Mr Balladur has announced that the encadrement system of credit ceilings regulating banks' loan expansion will be phased out at the end of the year. Mr Beregovoy prematurely announced that the system bad been buried at endaccounts have lately been offering depositors over-generous terms similar to yields on the number of potential obstacles which still lie ahead of more thoroughgoing deregulation remain the same.

Government officials and senior bankers agree that the fragile earnings structure of the big retail banks representative accounts have lately been offering depositors over-generous over-generous terms similar to yields on government bonds.

The cut bas reduced costs on the liabilities side of banks' balance sheets but the main factor keeping credit costs high crease their profits to accommon the banks' retail banking networks, the running of which single propositors over-generous out-dated requirement that the opening, closing or transfer of branches be aubject to government of branches be aubject to government on the liabilities side of banks' balance sheets but the main factor keeping credit costs high crease their profits to accommon the banks' retail banks' retail banks representation.

The banks are anxious to infer out-dated requirement that the opening, closing or transfer of branches be aubject to government of branches be aubject to government of the banks are anxious to infer out-dated requirement that the opening, closing or transfer of branches be aubject to government of the banks are anxious to infer out-dated requirement that the opening, closing or transfer of branches be aubject to government of the banks are anxious to infer out-dated requirement that the opening, closing or transfer of branches be aubject to government of the banks are anxious to infer out-dated requirement that the opening, closing or transfer of branches be aubject to government of the banks are anxious to infer out-dated requirement that the opening, closing or transfer of branches be aubject to government of the banks are anxious to infer out-dated requirement that the opening.

### Greater freedom for capital movements

These Bonds having been sold, this announcement appears as a matter of record only.

U.S. \$75,000,000

·PEARSON·

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French foreign exchange ment probably would not like liberalisation measures announced yesterday may be, they tion of the foreign exchange do not constitute a general lift- and financial market liberalisaing of controls. French bankers and industrialists were quick to socialist Government." emphasise yesterday that many restrictions remain, although they welcomed the conservative

and according to bankers and businessmen, probably would bave been taken much sooner if the right-wing parties bad won a more comfortable

"The measures adopted yes-terday seem to form part of the general process of exchange the general process of exchange measure announced by Mr ting purposes remain. further control and financial liberalisation following the recent devaluation of the French franc," individuals of secondary residences, such as boliday homes, opening bank accounts abroad.

**NEW ISSUE** 

SUBSTANTIAL as the new although the current Govern-

Among the most spectacular measures taken yesterday, was the lifting of the foreign ex-change premium — the so-called devise titre — for pur-Some of the main steps announced by Mr Edouard Ballachar, had long been expected shares and bonds quoted on foreign markets. Yet the liftbeen expected, even under the previous Socialist administra-tion which reintroduced it in 1981 during its currency support package.

The second spectacular when they settle abroad as well as being shle to make donations and gifts to nonresidents.

The lifting of the restrictions move on the part of the gover-ment to conform itself to the EEC rules on the free move-ment of capital. In practice, however, these measures, like the sholition of the devise titre are unlikely to bave a major financial impact.

In the case of the freedom to buy second bomes abroad, hankers point out that the restrictions in sequiring real estate for investment and let-

abroad. At the same time French residents cannot open french citizens will now be able to transfer their capital funds prior permission from the such bank accounts without prior permission from the authorities.

As for the devise titre, the impact is expected to be fairly limited since the foreign cur-The lifting of the restrictions rency premium had almost was seen as largely a political disappeared during recent

Restrictions on French currency lending to non-residents also remain in place, thus maintaining official control of the French franc domestic market alongside the unregulated Eurofranc bond market.

Apart from the lifting of certain restrictions on capital flows, the other principal measures ennounced by the government yesterday involve a further easing of foreign exchange restrictions for corporate treasuries to boost the competitiveness of French husi-

MAY 1986

### Warrants with a twist for Bank of **Nova Scotia**

By Peter Montagnon, Euromarkets Correspondent

rant concept was introduced to the Euromarkets yesterday, when Morgan Stanley launched a series of warrants to sell a \$150m, five-year issue it was leading for Bank of

Nova Scotia.
On offer were 120,000 warrants priced at \$12 spiece and bearing interest at 71 per cent, the same rate as that on the bost bond. They can be used to sell the bond back to the borrower at a price of 983 per cent on June 30, 1989.

The idea is that the value of the warrants should rise as the market goes down, giving those investors who feel the fall in interest rates has run its course a chance to hedge their positions.

Until now warrant issues have generally allowed investore to purchase more paper et a guaranteed return, giving them protection against fai-ling yields.

In what could be an ominous portent of things to ominous portent of things to come, the warrants actually proved more popular than the host bond yesterlay. As bond prices alid following the letest US industrial production figures, the warrants rose to around \$14, while the bost bond slipped outside its 11 per cent fees.

The structure is in essence what the bond market calls a securities put option, pro-

a securities put option, pro-viding additional proceeds to the borrower that reduce its overall costs by some 20 to

25 basis points.

Theoretically that sort of structure could create a Incrative swap opportunity, but there is one drawback. Because it cannot be certain how many warrant holders Bank of Nova Scotia cannot work ont the precise maturity of its new deal. That makes swapping into floating rate currency harder, and market speculation was that no swap is attached to this particular bond.

### European reshuffle for First Chicago

By David Lascelles, Banking Correspond FIRST CHICAGO is to reshape its European, Middle East and African activities into a single entity covering trading, commercial banking, investment banking and oper-

Though headquartered in

London, the operation will treat Europe as a single mar-ket, according to Mr George Davis, executive vice-president and senior partner of the group's global carporate bank. The changes mark a further step in the Chicago-based bank's plans to merge its commercial and investment banking activities to match the growing trend towards securi-ties finance in the banking business. Last month, First chicago announced a similar restructuring in the US.

The European operation will be run by a nine-man council of partners beaded by Mr Ian Schmiegelow and Mr Alan Delp, which is intended

to flatten out the hierarchy of responsibility. Mr Schmiege-low joined First Chicago from Hambros last year and carried ont the study which led

to the changes.

Mr Davies said the bank's emphasis would still remain very much on the industrial market, with the stress on new forms af financial intermediation.

in 1984, the exchange announced yesterday. Operating income advanced by 32 per cent to FI 41.36m.

### Emerson Electric issue meets a cool reception

BY CLARE PEARSON

other recent Japanese equityrelated bonds. The lead
manager quoted a bid price of
991. Other recent equityrelated bonds for Japanese
companies bave traded rapidly
over par.

Diesel Kiki's recent equitywarrants bond was priced today
with a coupon of 24 per cent.

The exercise price on the warrants was set at Y644, representing a 23 per cent premium
over the closing shares price.

been well-received by Japanese
investors.

Two Europen issues appeared,
by about 4 per
term interest
railway financing agency, and
for the Republic of Finland.
Late last nig
years, and coupons 54 per cent freeyear, and coupons 54 per cent respectively, for Wexil B. The
nervous mood of the Europen
warket had adversely affected and final year.

over the closing shares price.

THE DOLLAR Eurobond This bond traded yesterday at maded at a discount of 2 per market traded nervously yesterday. It was depressed by falls in prices of US Keinwort Bensur launched of 14 per cent figs in up roces of US Keinwort Bensur launched of 14 per cent figs in up roces of US Keinwort Bensur launched of 14 per cent figs in up roces of US Keinwort Bensur launched of 15 per cent figs in US April laidered output.

The \$100m 12-year bond for Emerson Electric of the US interferor met a cool reception from the non-callable bond carried a coupon of 71 per cent and was priced at 1011. Lead manager IBJ International said the bond was a bid at discount to issue price of 2 per cent, outside the total fees of 24 per cent. The shures raded yester was manager said the band was a pind and should be a said of which is linked to the GS price.

D'Urban, the Japanese mens wear company, issued e \$40m equity warrants bond, led by Nikko Securities. The five-year bond is for the South Final terms will be set on May be received from June this year until May 1991.

The Tokyo equity has traded nervously over the last few days on worries about the year dollar exchange rate. Thus D'Urban's new issue met a less enthusiastim reception than other recent Japanese equity related bonds. The less investigation is well as the price of per cent for the year bond is for the South Revent of the So

by about 4 per cent as short-term interest rates: edged higher Late last night Nomera In-

ternational launched a \$100m. five-year, deferred coupon bond for WestLB. There will be no interest during the first three years, 32 per-cent in the faorth year and 8 per cent in the fifth and final year. Issue price is

### Euroclear earnings up by 28%

BY TEM DICKSON IN BRUSSELS

EUROCLEAR, the Brussels-based clearing house for internationally traded securities yesterday announced 1985 net earnings up by 28 per cent to \$9.85m on gross income 43 per cent higher at \$71.9m. The profit figure was reached after rebate payments to customers doubled from \$7.9m to \$15.6m. Euroclear was started in 1968 Euroclear was started in 1968 by Morgan Guaranty but is now

eeffctively owned by the market it serves—its 124 institutional shareholders are mostly
among the 1,875 banks, brokers
and other financial institutions
which make up its client base.

The company has grown its relative and contract the continued expansion of
services encouraged them to The company has grown signed and simplify the chargnificantly since the early 1970s ing structure.

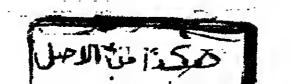
but its growth has been particularly rapid in the last three show even stronger growth
to four years than 1985 with turnover up 67,
Since 1981 the directors have per cent so far

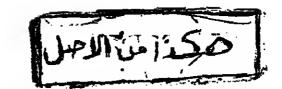
### FT INTERNATIONAL BOND SERVICE

Listed are the 200 latest international bonds for which there is an adequate secondary market.

| Champion | Champion

Lazard Brothers & Co., Limited Credit Suisse First Boston Limited **Dutch** moot **County Bank Limited** Lazard Frères et Cie option link Cazenove & Co. **Deutsche Bank Capital Markets Limited** with London By Laura Raum in Amsterdam By Laura Raum in Amsterdam
THE EUROPEAN Options
Exchange (EOE) has proposed to the London Stock Exchange joint development of
an option contract on a basket of Enropean stocks that
would be priced in European
Cnrrency Units (ECUs).
Such an option on a Enropean stock index would
force an international link Enskilda Securities Nomura International Limited Salomon Brothers International Limited Swiss Bank Corporation International Limited S. G. Warburg & Co. Ltd. forge an international link between the Amsterdam-based Banca Commerciale Italiana Algemene Bank Nederland N.V. Julius Baer International Banca del Gottardo EOE and its closest rival, the London Stock Exchange's traded options. Both have been in the vanguard of in-Banca della Svizzera Italiana Bank Leu International Ltd. Bank J. Vontobel & Co. AG Banque Bruxelles Lambert S.A. Banque Indosuez Banque Nationale de Paris ternational link-ups for global trading.
The EOE also is considering launching options on Japanese shares that are to be traded on the Amsterdam Banque Paribas Capital Markets Banque Privée S.A. Banque Scandinave en Suisse Compagnie de Banque et d'Investissements, CBI Crédit Commercial de France Crédit Lyonnais Stock Exchange and priced in yea in that exchange's link with the Tokyo Stock Ex-EBC Amro Bank Daiwa Europe Dresdner Bank Aktieneselischaft Finter Bank Genossenschaftliche Zentralbank AG Option contracts would be offered on three to five of the 30 Japanese stocks to be listed in Amsterdam later this Hentsch & Cie Kleinwort, Benson Lombard Odier International Underwriters S.A. Morgan Grenfell & Co. Morgan Guaranty Ltd Morgan Stanley International Orion Royal Bank A new yen-guilder currency Pictet International Ltd The Nikko Securities Co., (Europe) Ltd. option also is under considera-tion to facilitate the trading **Shearson Lehman Brothers International** Société Générale Standard Chartered Merchant Bank The rapidly growing EOE more than doubled its prefit to a record F1 18.46m (\$7.5m) last year from F1 8m Union Bank of Switzerland (Securities) Unigestion SA Geneva Sumitomo Finance International Yamaichi International (Europe) Vereins- und Westbank Westdeutsche Landesbank





### THE PROPERTY MARKET BY WILLIAM COCHRANE

INVESTMENT INITIATIVES

### Overseas influences on the UK unitisation debate

place in property investment, against the background of the "Big Bang," were underscored by David Sizer, a senior partner of Richard Ellie, last Friday when he duhbed it "the last of the unmodernised markets." the unmodernised markets."

Mr Sizer analysed both the size, and the changing structure of the market at the ISVA (Incorporated Society of Valuers and Auctionects) Cily conference About 530bm of About £30bn of property is owned institutionally, be said, and approaching f6bn is lent by the banking sector to the property industry.

As be understood it, fee income from the provision of property services, including residential commissions, is estimated to true estimated to total around £1.5bn

It has been evident for the past five years that most invest-ing institutions, on their own, are unable to cope with the cost of funding a major City of London office development sums of £75m are getting to be quite common—a sbopping centre or a big ont-of-town business park.

The Royal Institution of Chartered Surveyors has researched, and subsequently promoted the concept of single property unit trusts to break these big buildings into manageable investment boldings; It was supported, in essence, by the ronclusions of the more broadly disciplined City committee set up by John Barkshire of Mercantile House.

market from the City's new munit financial conglomerates; and, man-on top of that, he noted some Ove

We are witnessing an increased involvement from the Americans and Japanese," he said, "whose introduction innovative methods of financing again trespass on to our traditional sphere of our traditional activity."

Now it just so happens that Jack Rodman, a Los Angeles partner of certified public accountants Kenneth Leventhal & Company, was in London and Edinburgh this week with the Los Angeles Trade and

American moves

Mr Rodman was here, clearly, to sell Los Angeles in particular and US property investment in general. But his description of what is happening in America suggests that the UK market has

a long way to go.

"There is a whole new wave
of investment activity taking
place through the securitisation
of our real estate markets," he
said, "which is allowing corporate America in tap previously unused sources of investment

capital."
Mining companies, supermarkets and railroads are all using new liquid assets, created Reits, bowever, had good man-

Richard Ellis itself, with from their property holdings:
County Bank, has recently "defensively for working capital promoted its own property purposes, offensively for take-investment vehicle, known as PINCs. But Mr Sizer anticlipated more competition in the market from the City's new many according to Mr Rod-

Over the past year, several financial instruments have come nn (or returned) to the US property scene. These, first, offer the developer a way to reloans and get longer term fin-ance for a given development. Secondly, they offer something

new to the investor.
In the US, says Mr Rodman, they are all covered by the term "securitisation." Four of the more popular types of investment vebicle are:

1—real estate investment trusts (Reits), similar in their present form to the single property unit

form to the single property unit trusts promoted by the RICS and Barksbire;
2—commercial mortgage nbligations (CMOs) which are quoted medium to long term debt;
3—publicly traded limited partnership units, which seem similar to the Ellis/County Bank concept; and
4—mortgage backed secutitles, linked to the residential market and already promised to the LIK and already promised to the UK

Many Reits went bad in the mid-1970s, Investors put up money for "blind funds"—those investing in unidentified development or investment properties—and suffered from bad management. A number of Petits between hed Gooden.

1970s with their reputations, and that of their management, actually enhanced by the chaos that went on around them, Elther some people never learn, or there's a new one

born every minute. Jack Rodman, on the mid-1980s: "Over the past year, more than \$3.0bn (just under £2bn) has been raised for Reits. However the Reits, like other areas of real estate, have over-heated as a result of poor product and blind product funds bitting the

Critical function

Nobody is saying that the Reits are in the pickle they were ten years ago. Property has also suffered by comparison with Ordinary shares—the Dow Jones Industrial Averoge rising 50 per cent in a year. But their experience contains lessons for UK promoters, and for their prospective investors. Chartered surveyors may be

too gentlemanly to criticise each others' products but if unitised property takes off in this rountry, there will be plenty of merchant bankers, stockbrokers and market commentators who will assume the critical function. The product, or building, therefore, will bave to be pretty

Commercial mortgage obligations, meanwhile, are also hig money; they can be quite interesting, too, in a period of falling long term interest rates.

**2 PURLEY WAY** 

**CROYDON** 

December and \$160m for Fisher Brothers, another major New York developer, which followed. Both were Euromarket issues, relatively highly rated as a consequence, but the O & Y bonds have still appreciated hy 10 per cent since their issue due to a 200 plus basia points drop in iong term interest

The UK market is already on to this one. Indeed, with a combination of American and British skills, it has invented a few wrinkles of its own.

kets, formerly the merchant banking arm in this country of Continental Illinois, recently devised a £25m Eurobond issue for Wates City of London Properties in tandem with an issue of warrants to subscribe for another £50m

There have been only three sterling Eurobond issues wilb warrants to date and Wates is the first property company, said Mike Rosen, senior vice president of First Interstate in London this week. talking to three or four others at the moment.

at the moment."

Wates gets an initial f5m from the issue of the £25m, 9½ per cent stock on which 20 per cent is payable next week. Another £20m, in round figures, will come from the "call" when the remainder of the stock is paid up at this time next year.

bonds by May 1988 and there are a further 25,000 warrants which could be issued at a higher price to produce £25m

"The first warrant issue is already trading in the mid-30s," says Mr Posen. "They are so says Mr Posen "They are so highly geared that a further one-point decline in interest rates would move them from £35 to about £60." For Wates, ombination of American and applying the proceeds to the critish skills, it has invented a cost of the issue, the effect could be a reduction in borrowing costs to about 9 per cent ets, formerly the merchant of £75m of deht, all of it

### Hamburger deal

Back in the US, the third category financing instrument has been taken up by Burger King, the fast food franchiser subsidiary of the NYSE-quoted Pillsbury Corporation and a direct competitor of McDonalds chain.

Burger King, says Mr Rodman, raised \$81.4m by spinning off a group of 115 restaurant sites them back to the store operators. The public came in for a mini-mum yield of 9.4 per cent.

However, they were also in for a share of the turnover growth and the nverall deal offered incoming buyers of the limited partnership units, with nteresting, too, in a period of next year.

alling long term interest rates.

It has already raised £1½m a target overall rate of return from the sale of 25,000 warrants of 17½ per cent.

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### **Greycoat upgrades** its City office

again, and taken Lloyds Bank south of the Thames, the appointment of City-based Peter Thornton as joint managing director of Greycoat underlines the City of London's plvotal importance in the property development business,

Ron Spinney, existing and now joint managing director under Geoffrey Wilson's chair-man and chief executive, also becomes deputy chairman and Barry Cockerell remains assis-tant managing director with responsibility for the group'e investment portfollo.

Messrs Spinney and Thornton are both development orientated, operating separately from offices in the West End. and the City respectively. "I did four major deals last year from the City office," said Mr Thornton this week. "At least three of them would not have been possible from the West End."

Excluding major develop-ments already in progress— such as Finsbury Avenue Nos. II and III, where Greycoat itself is involved with Rosehaugh,

—Mr Thornton sees about five large sites available for the next phase of City office property growth.

Hank until it is signed, sealed and delivered. However the company is now actively looking at the design of London Bridge City, Phase 2.

In addition to putting 1.100

IN A WEEK which has brought it is on the shortlist; it is in for Peter Palumbo's Poultry 200,000 sq ft plus at the scheme in front of the planners Ludgate Hill "bomb site;" and "along with dozens of others" it is tendering for the Boys School site. John Carpenter Street, where in excess of 350,000 sq ft is on the cards.

Of the City market sites still available, Spitalfields on the east and Smithfield to the west, Greycoat is leaving the former to LET, and looking at the latter on a longer term hasis.

Meanwhile, along with the further phases of Finsbury Avenue, it has a sizeable current commitment in the redevelopment of Lutyens House.
Finsbury Circus, hehind its
existing facade to make 300,000
square feet gross.
At £76m, the funding fur

Lutyens Hnuse is the largest single building funding ever rompleted, says Mr Thorton— "and, unlike some, we did it without baving to give away any

equity. Mr Malcolm Savage, a director of St Martins Property. director of St Martins Property,
said yesterday that the Kuwaitiowned developer is not going to
broadcast the details of the
Hay's Galleria deal with Lloyds
Bank until it is signed, sealed
and delivered. However the
rompany is now actively looking

Greycoat is involved in four staff into 160,000 sq ft at Hay's, of them. At Cannon Street Lloyd's says it is negotiating to stattinn, which will certainly acquire a new site in the City make more than 250,000 sq ft, to acrommodate another 1,600.

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### Oil companies' profits surprise City

Royal Dutch/Shell and British Petroleum both reported sharply reduced firstquarter profits yesterday on Max Wilkinson.

However, on the alternative current cost of supplies basis the results of both groups showed sharply increased after-tax profits compared with the figures for the first quarter of 1985.

The steepness of the rise in replacement cost profits—42 per cent in the case of Royal Dutch/Shell and 84 per cent for BP—took City analysis by surprise.

These large and contrary swings result from the different way in which the fall in oil prices show np in tha two methods of accounting. However, both companies

face a further erosion of their upstream profits in the second quarter. BP said that its results reflected an average price of North Sea Forties crude of \$20 per barrel com-pared with \$28 in the pre-

crude prices have fallen further, with the Brent crude spo tdipping below \$10 per barrel before recovering to yesterday's level of \$14.

In spite of the ravages which falling oll prices have made to the historic cost profits, the share prices of Shell and BP both rose on the London Stock Exchange yesterday—Shell Transport and trading's by 8p to 773p but BP's fell by 10p to 553p.

For both companies, the fall in historic cost net income reflected an after-tax loss on oil stocks: £593 mfor Shell and £715m for BP. This represented the fall in the value of stocks purchased last outumn when prices were much higher.

The rise in net profits on a of replacing present stocks has fallen much faster than the price which the companies could obtain for products, in-cluding petrol. Shell's own equity produc-tion of oil in the first quarter at 1.75m barrels a day was only 56 per cent of the crude processed by its refineries on a worldwide basis.

On a replacement cost basis. therefore, the lower price of bought-in crude benefits the company so long as prices for its products do not fall too steeply.

On the historic cost basis,

Shell and BP essentially had to set off the east of old stocks of higher priced crude against the weakening prices of pro-In the second and third

quarter the disparity between results of these two accounting methods is likely to be reduced unless there is another sharp change in the

level of oil prices.

Historic cost profits will tend to improve as stock losses drop out of the accounts, but replacement also as product prices respond

Mr David Gray, oil analyst for brokers James Capel, estimates that for both com-panies the margin obtained on the sale of petroleum products rose to an average of about 6p per gallen in the first quarter, compared with about 11p a year ago. He thinks the margin is likely to fall back as a result of com-petition in the market place.

As these profit margins ore eroded be expects replace-ment cost profits to fall. In the case of BP he said replacement and historic costs could both settle at around £250m.

 The British Council of Churches, the Central Finance Board of the Methodist Church and the United Refarm Church all announced yesterday that they had sold or were about to sell their shares in Shell Transport and Trading as a result of the company's continued involve ment in trade in South Africa and Namibia.

### Shell rides out crude price fall

Reyal Dutch Shell yesterday ated a £541m increase in cash reported o 34 per cent fall in its first quarter after-tax profits compared with the first quarter of 1985 to £718m on an historic cost basis.

However, on a current cost of supplies basis after-tax profits rose by 42 per cent to £1.31bn.

Shell warns: "It is likely that average crude prices for the second quarter will be lower than for the first quarter and this would further reduce earnings in the group's exploration and production sector, in addition to the normal seasonal

It says that pressure on margins in the manufacturing, marine and marketing divisions can be expected to increase.

Shell's first quarter occounts show that in spite of the fall in crude prices the group gener.

3 per cent in volume at 7.79bn ginal tax on upstream profits.

Total income before tax was £1.95bn in the first quarter of manufacturing, marketing and 1986 compared with £3.13bn a

and short term securities while reducing total debt by £171m. This compared with a cash surplus of £853m in the first quarter of 1985 after a debt reduction of £949m.
Shell said that capital and

exploration spending had been undergoing o re-assessment in the light of lower oil prices." For 1986, total planned spending on these items had been cut by 12 per cent to £5bn. Shell says this reflected the views of bost governments and joint venture partners.

Shell's equity production of crude oil at 1.75m barrels o day was 5 per cent higher than the level a year earlier, while natural gas production was up

unchanged sales volumes, with a 4 per cent rise in the volume of gasoline sales and a 5 per cent rise for diesel offset by a 14 per cent reduction in fuel Reported earnings for the world outside the US dropped sharply from £315m in the

corresponding period of 1985 to only £40m, but this was after occounting for stock losses of On a current cost basis down-stream profits rose steeply from

1985 to £614m. In the US dollar

earnings rose by \$53m to \$61m in the first quarter of 1986. The occounts show the cushioning effect of high mar-

vear earlier. However the tax bill fell from £2.01bn to £1.23bn. Earnings in the chemicals business fell from £64m to £30m outside the US, while earnings from coal were sharply down at £1m compared with £5m a Currency exchar ? losses of

£78m in the first quarter com-pared with losses of £108m a maioly on dollar funds held by the group ond on other assets as the dollar weakened against sterling and other currencies.

Group turnover fell from £20.03bn o year ago to £15,3bn.

Anti-apartheid demonstrators forced the suspension of the Sbell annual general meeting yesterday with persistent ques-tions obout the compony's involvement in South Africa.

### BP warns of a volatile market

quorter of the year compared

with £515m a year ago.

The company said "this was after stock losses of £718m atter stock losses of £18m caused by falling oil prices."
However, on a replacement cost basis, the group's profits after tax rose to £740m, compared with £402m in the first quarter of 1985.

Peter Walters, group chairman, said: "The composioperating profit has changed coming from the UK.
significantly, with decreased However, on a replacement
contributions from BP Explorcost basis BP Exploration's
ation and Standard Oil (the US operating profits of £244m were

He added: "The oil market is likely to remain highly volatile in 1986 and we are taking positive steps to sustain our financial strength by tightly controlling planned capital and operating expenditure."

BP Exploration produced an average of 701,000 barrels per day of crude oil, 12 per cent more than in the fourth quarter tion of the replacement cost of 1985, with 70 per cent of it

BP Oil International, the downstream operation, recorded a sharp increase in replacement cost operating profit at £403m compared with only £61m in the same period of 1985. However, this pre-tax profit was too little to cover the £520m stock loss and the historic cost operating loss was £117m.

The chemicals division made a pre-tax replacement cost profit of £53m, compared with only £4m a year earlier. Standard Oil of the US contributed a £20m historic cost loss. Its contribution of £154.

British Petroleum reported a subsidiary) offset by strong perfall in its historic cost after tax formances from our refining for the first quarter of last year.

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Farnings per sbare dropped from 28.2p in the first quarter of 1985 to 1.2p. The group generated £396m in funds in the first quarter of this year compared with £39m a year ago. Debt was reduced by a further £898m.

Group turnover fell from £11.4850 to £8.48bn, However, BP's capital expenditure fell only 8 per cent to £427m. Standard Oil's capital spending fell by a third to £316m between the two quarters.

### The Pru builds up estate agency network

By Eric Short THE Prudential Corporation,

Britain's largest life com-pany, has taken another step towards its goal of a nation wide chain of estate agents. Its subsidiary, Prudential Services, bas acquired A. C. Frost and Company, a major estate agency chain, for an

This third estate agency This third estate agency acquisition with its network of 31 offices in the Thames Valley area—Berkshire, Buckinghamshire, Middlesex, Oxfordshire and Surrey—brings the total number of estate ogency outlets for Prudential Property to 76.

In the past year, Frost com-pleted deals on more than 3,200 residential properties involving a value of around

The Prudential Corpora-tion has been expanding its retail financial service opera-tions beyond its traditional nsurance based products into other sectors-the most notoble being direct unit trust management and estate agency operations.

It recently announced £357m rights issue to finance this expansion programme of which of least £100m was ear-marked for a nationwide estate agency chain of at least 500 offices by the end of the

Mr Graham Clay, managing director of Prudential Pro-perty Services, said that the Frost acquisition epitomised the type of operation the Pru was looking for to develop its national estate agency chain—well managed, progressive and enjoying an excellent reputation for a high

At present the Pru is represented in Southern England, the Thames Valley and the Fenlands. Mr Clay antieipated a further ocquisition within a month of an estate agency chain situated further north.

Such an acquisition would, according to Chartered Surveyors Weekly, make Pru the fourth largest chain by

In addition to residential property, Frost also bas a wide range of commercial estate agency services to a

variety of clients.

Pru's initial estate agency acquisition, Ekins, Dilley and Handley also had a substan-tial commercial operation. However the Pru has no in-tention, at least for the present, of becoming a major commercial estate agency group. Its ambitions relate

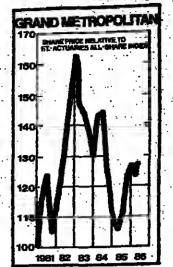
### Exchange rates depress GrandMet profit by £13m

Grand Metropolitae, the hotels, brewing and leisure group, was badly bit by adverse currency movements in the first balf of the 1985-86 year. The interim pre-tax profit, just 6 per cent ahead at £140. m, would have been £13.4m higher had they been translated at last year's rates.

The effect noticeable in the US consumer products division, where trad-ing profits fell nearly 9 per cent to £35.4m. Expressed in dollars, the ontcome would have been 11 per cent higher, benefiting benefiting from an improve-ment in margins in the cigaretta business despite the equipment.

The interim dividend is raised from an adjusted 3.636p to 4p, with earnings per share standing of 12.7p (11.5p adjusted). The charge for tax fell from £34.6m to £30.6m, but there was a lower extraordinary credit of £17.1m (£26m).

An analysis of trading profit in the UK shows: brewing £34.2m (£30.3m); consumer services £33.2m (£28.8m); foods £15.9m (£11.1m). In the international division wines and



UK sector made very satisfac-tory progress and achieved a 19.5 per cent increase in trad-ing profit compared with the corresponding period of the previous year.

Higher sales volumes in brewing reflected the substantial in-vestment in brand development vestment in brand development £2.57bn and trading profits of which has been made in recent £191.5m (£187.7m). spirits made £62.1m (£68.6m). which has been made in recent The directors say that the years, while consumer services

success of its licensed retailing and industrial catering activ-ties. Foods trading profit was significantly higher than a year ago, despite the sale of its liquid milk business in the north of England.
Interest charges fell from \$55.8m to £51.3m, mainly because of lower rates and favourable exchange movements.

The company also said that it was still keen to dispose of its US rigarette business Liggett & Myers, and the fact that this was back in profit might make it more attractive to a potential buyer, though none has yet been

found.

The company also indicated yesterday that the US relact ance to visit Europe this summer would depress in hotels business, the main profit earners being those on the Continent. Hotels are included in the group's international division, which saw static profits of £10.7m for the half year to March 31, 1936. March 31, 1986.
The directors say that the acquisitions and disposals made over the last year distort the

comparable figures, which show a fall of £179m to turnover of

### Crowther may bid for Sunbeam

John Crowther Group, the large stake.
rapidly expanding textiles Sunbeam's interests include group, bas bought a 21.5 per the manufacture of wool, cent stake in Sunbeam Wolsey, knitted products and industrial the Irish textiles manufacturer, and started talks which may lead to a bid for the company. Sunbeam shares rose on the news, to close at 116p, np 10p on the day giving it a market capitalisation of £9.7m. Crowther's stake was acquired ot a price of 105 p a share, apparently from Namaval Hold-

ings, a Papamanian company, yesterday announced that lt had disposed of a similarly

yarns and several of its sub-sidiaries are in the UK. In 1985 it recorded pre-tax profits of 1£1.34m (1£1.21m) on turnover

takeovers. ham), a k
In October it became a lead- for £1m,

through a complex three-way deal in which it acquired Carpets International UK and Weavercraft, another carpets

Then in March it made an agreed 537.5m takeover bid for on 1432.16m.

The Crowther Group has been distributor, and another of transformed from a relatively small company into a substantial force in the UK textiles month its announced the acquisindustry in the last few months through a rapid succession of the assets and souds. ham), a knitwear manufacturer,

### **DIVIDENDS ANNOUNCED**

	Bank of Ireland	141	July 4	12	20.5	17.5	
	Brit. & Commonwith .	2.8†	July 10	2.2	5	.4	
	El Oro Mining	4.62		4.2	4.62	4.2	•
	English Chinaint.	4.25	Sept 30	4	_	11	٠.
	Exploration	2.31	_	2.1	2.31	2.1	
	John Foster	2.5	July 16		3.5	.3	_
ľ	Grandmet int.		Oct 6	3.64		3 9.1*	7
	C. E. Heath		_	15	24.4	7.1	
	London Atlantic	4.75	July 14	4.25 1,25	6.7	6.1 3.25	
•		1.25‡	July 11	1,25		3.25	
	Warner Estatesint.	7.5	- 1	6	_ '	3.79	
	Western Selection int.	1.3	July 4	1	_	2.7	

Dividends shown in pence per share except where otherwise stated. \* Equivalent after allowing for scrip issue, † On capital increased by rights and/or acquisition issues. ‡ USM stock. Harvard raises stake in Warren

The shares of USM-quoted Lloyd's insurance broker Dewey Warren Holdings rose 10p to close at 121p yesterday after news that Harvard Securities had increased its stake in the company from 6.5 per cent to

8.9 per cent.
... Harvard, the licensed dealer and over the counter market-maker, has recently been on the maker, may recently been on the acquisition trail making an unsuccessful bld for United Computer and Technology, the investment trust, and then bldding for City and Foreign Investment.



This announcement appears as a matter of record only.



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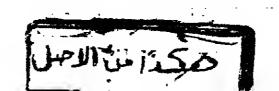
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### **UK COMPANY NEWS**

### C E Heath profits hit by Australian insurance changes

PROBLEMS IN Australia meant static profits at C. E. Heath, the international insurance heater accordance to the comment of the broker and underwriter, in the year to March 31 1986. At the operating level, they came to

harges fell ham below the state and investment of the state and investment of the state and investment of the fact that he fact that he

any also indicated har the US refer to the US refer to the US refer to the main Page of the saw stant page of the half page of 1985.

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In Australia, the State of Victoria has introduced a single state insurer system to the detriment of Heath's workers' compensation insurance husings and there has ance business, and there has the current year. The company heen the adverse impact of bas been struck by unfavour-

The provision has been made against potentially irrecoverable amounts owed by insurers and intermediaries, relating to trading activities in the late 1970s.

Earnings show an improvement from 6tp to 62.7p. But the dividend is raised by 16 per cent, from 21p to 24.395p net, with a final of 17.395p.

After tax £10.43m (£10.83m) and minorities £150,000 (£127,000), the attributable profit worked through at £19.79m (£19.16m).

This time there is £150.000

extraordinary charge, represent-ing the sale of the Lloyd's Agency operations less the loss on disposal of several tong-term support until happier times and retated company invest-

One cannot help feeling sorry for C. E. Heath. Because of two factors outside its influence it has reported flat profits last year, and by the same two features is going to have to do spectacularly well in other areas to report any increase in the current year. The company exchange rate movements.

There is again an above-theline exceptional charge — this
time £2.2m (£2.53m) — leaving
the year's pre-tax profit at
£30.37m, compared with
£30.12m.

bas been struck by unfavourable currency movements
which have reduced profits by
about £5m, and then by the
nationalisation of the workers'
compensation business in Australia. This has not only cut
underwriting profits, this year compensation business in Australia. This has not only cut underwriting profits, this year by about £2m, and by about £4m next, it has also removed a fat slice of profitable business from the Australian broking operation. While Heath is putting everything into filling the hole, the process is likely to take until the end of next year. Meanwhile, the UK broking side is doing at least as well as the opposition area.

19.79m (£19.16m).

This time there is a £419,000 fidence, and a similar rise this year would give the shares, at 6t0p, a prospective yield of 6.5 per cent, which should lend

### Inchcape pays £18m in **US** assurance deal

BY ALICE RAWSTHORN

Incheape, the troubted inter-

Intertek is involved in the provision of inspection and quality assurance services to the US aerospace and defence industries. Through an association of the control of the ation with Swede Control it also provides testing services to a West African government.

In the year to December 31 it produced pre-tax profits of \$4m (£2.6m) and find a net asset value of \$2.8m (£1.8m).

BRESTOL

EWLETT PACKARD

Inchespe is already involved national trading group, has acquired the privately-owned US quality assurance company, the intertek Services Corporation, for \$27.6m (£17.9m) in a cash deal, the world.
Nonetheless Intertek will

function as an antonomous subsidiary within Inchespe with intact. The current chief execu-tive, Mr Michael DeArmond,

will become chairman.
Incheape has identified the fest and inspection sector as a potential growth area and is

ANNUAL MEETINGS Optimistic outlook from

**GKN** chief GKN's results for the first four months of the current year were ahead of those for the corresponding period tast year, the annual meeting was told by Sir Trevor Holdsworth, the

He said he had no reason to amend or quality the conclusion he came to two months ago, when he said the economic and commercial outlook for the immediate future continued to be generally satisfactory and that would enable it to achieve further overall financial improvement.

provement.

• Iceland Frozen Foods sharebolders were told that trading
for the first part of this year
had got off to a "buoyant start."

New branches were performing well and the expansion programme for the current year
was ahead of earlier expectations. It has already 26 committed store opening for 1986
and expects the total for the
year to be around 30, of which
only nine will he open by the
end of the first half. The 12
Orchard stores acquired at the Orchard stores acquired at the end of last year are now into

profit.

The company is confident that overall performance this year will be at least in line with expectations.

### **BSR** plans to float Tenby and raise £12m

By Lucy Kellaway

BSR, the troubled electrical goods manufacturer is plan-ing to float its UK electrical accessory and engineering husinesses on the Stock Exchange at the beginning of next month.

BSR will be selling about 60 per cent of its boldings in the new group, called Temby Industries. In raise an estimated £12m which will reduce its high level of borrowings.

Mr Frank Brown, managing director of BSR UK, said yesterday that the sale was strongly in the interests of both companies. Mr Brown will become managing director of Tenby, and give up his position on the BSR board.

Tenby is made up of two parts, one of which makes electrical accessories, and the other specialist engineering components.

At the time of the reorganisation at BSR in 1982
when the central management

when the central management moved to Hong Kong all of the engineering companies were making losses. In the last three years the companies have been restructured, costs have been reduced and activities have been redirected towards high quality, medically markets. specialist markets.

As a result of the rationali-

sation, pre-tax profits bave risen from £762,000 in 1981 to £2.5m in 1985, on sales np from £13.5m fo £31.1m. The group's profit last year com-pared to 2 pre-tax loss of £6m incurred by BSR during

### B & C set for substantial programme of investment

DESPITE a sharp setback by its air transport activities the British and Commonwealth Sblpping Company saw its profits for the 1985 year surge from £66.22m to £76.85m at the pre-tax level.

The company is now a diversified transport and financial services concern having substentially reduced its

having substantially reduced its shipping activity.

The principal related costs of this move away from shipping were taken below the tine and included in extraordinary items which emerged as a credit of £60.8tm having taken in the profits from the sale for £108m of the company's holding in Exco Intercational and the partial sale of the holding in

Exco International and the partial sale of the bolding in Telerate Inc.

The book value of B and C's Interest in Exco at end December 1984 was £48.7m.

The directors say it is clear that 1986 is to he a year of change, pointing out that there will be considerable diminution in the attributable profits of associoted companies (they rose in the attributable profits of associoted componies (they rose from £42.76m to £5t.22m in 1985) having disposed of the Exco stake and more recently that in Overseas Containers.

They tell shareholders that the disposals have realised substantial sums for reinvestment and with opportunities for new investment described as many and varied they view the future with confidence.



Mr John Gunn, an executive director of B and C

The reduction in profits by contribution from Bristow Helicopters and losses incurred by Air UK

ahead at 19p and a final dividend of 2.8p (2.2p) lifts the total by 1p to 5p net per 10p

B & C sold its 21.4 per cent stake in Exco to the Kuwait Investment Office, the Londonhased organisation which handles much of Kuwait's oil wealth, last November. Speculation bad surrounded B & C's holding in Exco follow-

ing the departure of Mr John Gunn, Exco's chief executive with B & C. comment

There are two schools of thought on the British & Com-monwealth Shipping Company. One is that John Gunn, its recently recruited chief executive, will wave a magic ward and lead the company into a stream of go-go financial ventures. The other is that B&C's trading base has eroded to such an extent, that its decline is irrevocable. Both schools had their say yesterday Air UK.

Aviation support services and after early selling and late profits fell to £5.tm (£6.tm) and hotels from £966,000 to £893,000. Office equipment, however, pushed ahead from £2.56m to £3.24m. They tell shareholders that the disposals have realised substantial sums for reinvestment and with opportunities for new investment described as improved from £376.55m to £402.35m hut at the operating tevel profits fell by £1.59m to £20.69m. A divisional breakdown shows to £2.76m and air transport profits fell from £17.12m to £2.44m.

Indow a shipping company in name only. Its aviation activities are faring little better. These problems within established areas of activity, paired with a stream of disposals which will reduce the contribution from stream of fisposals which will reduce the contribution from should produce a fall in profits and interest charges were reduced from £14.21m to £12.51m. After tax of £30.61m and which school of thought for £2.76m and air transport profits fell from £17.12m to Earnings came through 1.7p

### result in the Company acquiring all the shares it did not previously own at a total cost of D.Kr. 321.8 million. RIGHTS ISSUE

GN Great Nordic Ltd

(Registered in Denmark, No. 456)

formerly known as

The Great Northern Telegraph

Company Limited

ACQUISITION OF THE BALANCE OF GN LAUR.

In March, 1986 GN Great Nordic Ltd [the Company]

entered into a series of purchases of the outstanding shares in

its subsidiary company GN Laur. Knudsen as, which will

At the Company's Annual General Meeting held on 15th May, 1986 a resolution was passed to increase the share capital of the Company from D.Kr. 201,306,420 to D.Kr. 301,959,540 by offering new shares with a nominal value of D.Kr. 100,653,120 for subscription in Danish Kroner at a price of 400 per cent. of par, the Company's existing share-holders having prior subscription rights.

The new shares will entitle their holders to the full amount of any dividends to be declared in respect of the year ending 31st December, 1986 but not to dividends in respect of earlier periods. In all other respects the new shares will rank pari gussu with existing shares.

A copy of the Circular to Shareholders dated 15th May, 1986, which includes Listing Particulars relating to the Company in accordance with The Stock Exchange (Listing) Regulations 1984, has been delivered to the Registrar of Companies in England and Wales as required by those

Copies of such Circular containing such Listing Particulars, and giving further details of the acquisition of the balance of GN Laur. Knudsen as and full particulars of the Rights Issue and the procedure for exercising such prior subscription rights, are available to shareholders, together with the related lodgement form, at Hambros Bank Limited, Stock Counter, 41 Bishopsgate, London EC2P 2AA, during normal business hours from today until 26th June, 1986.

### COMPANY NEWS IN BRIEF

KING AND SHAKSON, the discount house, yesterday declared unconditional its takeover bid for Smith St Anbyn, the fellow discount house. Smith origin-ally agreed to be taken over by Irving Trust, the US banking group, but switched its alliegance when King and Shaxson emerged with a higher offer.

NORTH MIDLAND Construction, civil engineer and public will become chairman.

Incheape has identified the fest and inspection sector as a potential growth area and is now scouting about for new acquisition opportunities.

In the year to December 31 Incheape's pre-tax profits fell by \$532.7\text{m}\$ to just \$64.0\text{m}\$. The company's share price lost 2p to \$353p\$ yesterday.

In the year to December 31 Incheape's pre-tax profits fell by \$632.7\text{m}\$ to just \$64.0\text{m}\$. The company's share price lost 2p to \$353p\$ yesterday. results for the 10-month period will show a return to proff-

ASDA PROPERTY Holdings, basic and 625.2p which came to the market in Aprit 1985 has reported pre-tax profits of £1.1m for the year to end-December. For the nine separate deals, subsic months to end-1984 £568,000 the US and Canada office.

share of 8p (7.1p).

RAMCO OIL Services incurred to repay a mortgage of £4.2m and reduce local borrowings, downturn in oil industry activities. Measures have been agreed to acquire M. Doberty taken to gain maximum advant-age of any upturn in the current year, and to broaden range of services beyond the mediate requirements of the oil industry. EXTERNAL INVESTMENT

Trast is raising its dividend from 12p to 14.5p net for the year ended March 31 1986, from earings of 13.5p (13.76p). The final is 8.5p. Gross income came to £1.87m (£2.16m), including franked £877.000 including franked (£864,000), unfranked £414,000 (£905,000), unfranked £414,000 (£905,000), underwriting com-mission £306,000 (£175,000). Asset value was 646.1p (490.5p) basie and 625.2p (487.5p)

separate deals, subsidiaries in the US and Canada have sold was achieved. Turnover was their head office freebold £9.82m (£6.36m). As indicated properties for net proceeds

in the prospectus, tha company which, at present exchange and R, and L. W. Hunter, is is paying a 3p dividend for the rates, total £10.7m. These are claimed the largest coal imperiod from earnings per 20p approximately £1.5m above porting group in Ireland. Heiton approximately £1.5m above porting group in Ireland. Heiton book amounts and will be used already has a 27.5 per cent stake in C. H. Doberty and also owns property in Westmoreland Street, Dublin. agreed to acquire M. Doberty and Co. Doherty has carried on business as coal merchant, ship broker, and agent for many

THERMAL SCIENTIFIC has conditionally contracted to purchase Sharetree, designer and maker of electronic burn-in equipment, for £2.08m, satisfied by the Issue of 490,897 Thermal years. Priocipal assets is a 26 per cent shareholding in Consolidated Holdings which, shares. Of these, 412.893 will through its three principal subsidiaries, Coal Distributors, P. Sharetree produced sales of Donnelly and Sons (Galway) £1.5m and profits of £82,186;



### Siderúrgica Lázaro Cárdenas-Las Truchas, S.A. U.S.\$65,000,000 Floating Rate Notes due 1989

In accordance with the provisions of the above Notes, notice is hereby given that for the six months from 14th May 1986 to 14th November 1986 the Notes will carry an interest rate of 71.% per

The interest payable on each U.S.\$10,000 Note on the relevant interest payment date, 14th November 1986 against Coopen No 9 will be U.S. 5367.36



Member of The National Association of Security Dealers

							P/1	
					Gross			Fully
High	Low		Price	Chause	div.tp	7.	Actual	Unsed
146	112	Ass. Brit. Ind. Ord	131		73	5.6	2.0	7.5
151	121	Ass. Brit. Ind. CULS	136		10.0	7.4	_	_
80	43	Airsprung Group	80		6.4	0.8	13.3	17 <i>.4</i>
46	29	Armitage and Rhodes	29		4.3	14.8	3.6	4.3
177	108	Bardon Hill	172		4.0	2.3	21.8	22 a
86	42	Bray Technologies	65m	j	4.3	6.6	7.7	7.0
201	90	CCL Ordinary	90	-10	12.0	13.3	2.2	2.1
152	93	CCL 11pc Conv. Pf	93		15.7	16.9		7.0
150	80	Carborundum Ord	14240		5.1	6.4	e.a	7.0
94	83	Carborundum 7.5pc Pt.	92		10.7	11.8	_	_
66	46	Deborah Zervices	55		_	_	_	Ξ
32	20	Frederick Perker Group				_	_	
112	50	George Blate	110		_	_	4.5	2.1
68	30	Ind. Precision Castings	68		3.0	5.2	15.3	12.5
212	156	Isis Group	158		15.0	3.8	120	17.9
122	101	Jackson Group	112		5.5	4.6	5.0	8.0
345	228	James Surrough	322		15.0	4.7	10.2	10.2
29	85	James Burrough SpcPf.	98		12.8	13.2	_	_
95	56	John Howard Group	56×0	1	5.0	6.5		_
386	570	Minihouse Holding NV		+85	a.7	0.7	36.8	45 0
320	250	Recard Ridgway Ord	320	+6	_	_	5.7	9.9
100	100	Record Ridgwsy 10pcPf	100		14.1	14.1	_	_
82	100	Robert Jenkine	63		_	_	<b>3.0</b>	19.7
34	28	Scruttone 'A'	30		_	_	_	7.7
87	66	Torday and Carliste	30 70		6.0	7.1	3.5	B.4
370	320	Trevian Holdings	320		7.9	2.5	a 7	9.8
જ	25	Unitock Holdings	55		2.1	3.8	15.2	14.9
175	25 93	Walter Alexander	170		3.6	5.1	9.2	11.7
226	150	W C Yester	190	-7	17.4	2.2	5.4	9.3

### Granville & Co. Limited

8 Lovat Lane London EC3R 8BP

								P/	E
						Gross		1	Fully
	High	Low	Company	Price	Change	dly.tp	> %	Actual	texed
	146	112	Ass. Brit. Ind. Ord	131		73	5.6	2.0	7.5
	151	121	Ass. Brit. Ind. Culs	136	-	10.0	7.4	_	_
	80	43	Airsprung Group	80		6.4	0.8	13.3	17.4
	46	29	Armitage and Rhodes	29		4.3	14.8	3.5	4.3
	177	108	Bardon Hill	172		4.0	2.3	21.8	22 a
	86	42	Bray Technologies	65m	4 t	4.3	6.6	7.7	7.0
	201	90	CCL Ordinary	90	-10	12.0	13.3	2.2	2.1
	152	93	CCL 11pc Conv. Pf	93		15.7	16.9		_
	150	80	Carborundum Ord	14240		5.1	6.4	e.a	7.0
	94	83	Carborundum 7.5pc Pl.	92		10.7	11.8	_	=
	65	46	Deborah Zervices	55		_	_	_	_
	32	20	Fradarick Perker Group	23		-	_	_	
	112	50	George Ristr	110		_	_	4.5	2.1
	68	30	Ind. Precision Castings	68		3.0	5.2	15.3	12.5
	212	156	Isis Group	156		15.0	9.8	120	17.9
	122	101	Jackson Group	112		5.5	4.6	5.0	8.0
	345	228	James Zurrough	322		15.0	4.7	10.2	10.2
	29	85	James Burrough SpcPf.	98		12.2	13.2	_	_
	95	56	John Howard Group	56ac		5.0	6.5		
	1386	570	Minihouse Holding NV	1175xt	+85	<b>a</b> .7	0.7	36.8	46 O
	320 100	250	Record Ridgway Ord	320	+6	<del>.</del>		5.7	9.9
	100	100	Record Ridgway 10pcPf	100		14.1	14.1	-	
	82	32	Robert Jenking	69		_	_	8.0	19.7
	34	28	Scruttone 'A'	30 70					7.7
	87	66	Torday and Carliale	70		6.0	7.1	3.5	B.4
	370	320	Trevian Holdings	320		7.9	2.5	a 7	9.8
	67	25 93	Unlick Holdings	55		2.1	3.8	15.2	14.9
	175		Walter Alexander	170		2.6	5.1	9.2	11.7
	226	150	W. S. Yestes	190	-z	17.4	2.2	5.4	9.3
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### MONEY BROKERS



AUSTRALIA

Australia is in the early stages of a money market boom. In the few years since deregulation of the market, finance has become the buzz' industry in Australia and the market is in tial growth.

Charles Fulton Australia is part of the charies ruton Australia is part of coup.

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If you have the experience, the ability, and the drive we can offer you every incentive you need to build your career in Australia. Not only is the lifestyle superb, you will receive an excellent package (including profit share), and have every opportunity to work your way to the top.

This is a rare chance for you to come to Australia with a ready made career and plenty of scope for the future, Please write, enclosing details of your past experience and full C.V. to: The Managing Director, Charles Fulton Australia Pty. Ltd., Box 3702, GPO, SYDNEY, NSW 2001, AUSTRALIA. confidence. Interviews will be held in London, in All applications will be treated in the strictest confidence. Interviews will be held in London, in late May or early June.

**Charles Fulton** 

### Royal Insurance **Estimated First Quarter** Results for 1986

	3 months 31 March 1986 (unaudited) £m	3 mooths 31 March 1985 (unsudited) £m	Year 1985 (audited) £m
General Insurance: Premiums Written	744.9	712.5	2,779.5
Underwriting Balance	-65.3	-139.9	-347.1
Investment Income allocated to General Insurance Revenue	66.6	72.5	266.7
General Insurance Result	1.3 ·	-67.4	-80.4
Long-term Insurance Profe	7.9	5.9	25.3
Investment Income attributable to Capital and Reserves	18.7	21.9	87.8
Share of Associated Companies' Profits	2.4	2.3	8.7
Profit before Taxation	29.4	-37.3	41.4
Taxation	5.1 (cr	redit) 11.3	12.3
Minority Interests	0.3 (	redit) 0.2	0.2
Net Profit	24.0	-25.8	28.9
Earnings per share	10.2p	loss) 10.9p	12.2p
Capital and Reserves	£2,159m	£1,760m	£1,905n

- \* There was a £66.7m improvement in the first quarter result with a pre-tax profit of £29.4m compared with a pretax loss of £37.3m in the same period
- \* The recovery was most marked in the United States with a pre-tax improvement of £40.6m, the United Kingdom £17.7m and Canada £7.5m.
- \* All operating companies achieved better underwriting results to produce a small worldwide insurance profit after including allocated investment income.
- \* The profit from Royal Life Holdings increased by 18.6% to £7m (1985: £5.9m)

The pre-tax result has been adversely affected by £5.3m due to changes in exchange rates; the underwriting balance benefiting by £11.9m, but investment income and Associated Companies profits being reduced by £17.2m.



DIGITAL WELBECK TED ELECTROTECH

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TULLS ROYCE

Is it Bristol's rapidly expanding high technology base? Or our highly skilled workforce? Or the pulling power of a major financial centre with excellent road, sail and air links? Or the allure of our beautiful environment? Of course, it's a combination of factors. How else could Bristol auract all these top companies? For further forceful arguments, contact Mike West, Bustol's Director of Economic

Bristol Economic Development Office, Brunel House, St. George's Rd, Bristol BSI 5UY Tel (0272) 291620 Telex 449714 BRIFDO G

### **I. J. Dewhirst**

Holdings p.l.c. **Clothing Manufacturers** Highlights from the Statement by the Chairman, **ALISTAIR J. DEWHIRST** for the year ended 17th January, 1986

\* Group pre-tax profit £5,304,000 - up 32.4%.

**Sales \*** Sales £57,569,000 – up 33.8%.

\* Total Ordinary dividend for the year of 1.10p per share - an increase of 21.8%

Scrip Issue \* Proposed 1 for 5 scrip issue.

**Employee Share Option Schemes** 3. Experience shows there is no better way to encourage employee involvement in the company than through these schemes. Company contribution to Profit Sharing Scheme up

Production and Expansion

\* Trading conditions during 1985 generally buoyant; forecasts exceeded; profit margins virtually maintained. Investment in advanced machinery and design continues. Workforce co-operation an important factor in increasing efficiency and reducing cost base.

Future \*\* Controlled growth remains company's policy. \* Current sales comfortably ahead of last year's.

I. J. Dewhirst Holdings p.l.c., Duwear House, Westgate, Driffield, North Humberside, YO25 7TH.

### North America helps Royal to £67m turnround

Insurance, the UK's largest camposite insurer, to profits of £29.4m in the first quarter af 1986, a near £67m turnraund from the loss last time.

The pre-tax profit was well ahead of market expectations, which had loaked for £10m at best, and the shares tauched 952p, 30p ahead, before slipping back to close at 932p, just 10 up.

The recovery was mast marked in the US, where the campany made £13.3m in the three manths ta March 31, compared with a lass of £27.3m. In Canada, last year's deficit af £5,5m hecame a surplus af

Mr Alan Horsford, the chief executive, cammented yesterday "while too much shauld not be read into ane quarter's figures, the pre-tax profit provides a moderately encauraging basis for further progress during the rest of the year."

The first quarter saw lasses persist in the international and Nederland divisions, at £0.3m (same) and £0.8m (£1m) respectively, Austratia just broke even campared to the £1.1m loss last time.

Mr Horsford said: "In the rest of the warld (autside North America and the UK) less progress was made but the

ess progress was made but the rends were mastly in the ight directian."

right directian."

In the company's second biggest market, the UK, weather losses were again beavy at around £30m—virtually the same as last time—but despite this, prafits turoed round from a £11.2m loss ta a £8.5m surplus.

Profit from general insur-



Mr Alan Harsfard, chief executive of Royal Insurance

ta £65.3m. The share af investment income fell from £72.5m to £66.6m, and on the lang-term insurance account from £21.9m to £18.7m.

After a tax charge af £5.1m (£11,3m credit) and minorities, net profits came ta £24m (£25.8m loss) for earnings per share of 10.2p (10.9p lass).

Cammenting in detail an the results, the chief executive said that in the US the statutors appearing ratio of the tary aperating ratia after policyhalders dividends was 108.6 per cent, down from 123.1 per cent. Results improved in most classes of business ta produce a small insurance prafit. Tatal dollar premium incame rase by 34 per cent largely accounted far by cammercial lines

Premium volume increased by cammer 18 per cent in the IJK

round from a £11.2m loss ta a £8.5m surplus.

Profit from general insurance was £1.3m against a comparable loss of £67.4m, personal matar and interwith premiums written at far UK clients in the Londan prospects will deficit on the underwriting balance reduced from £139.9m

Premium volume increased imponderable hovers over the development of the life market development of the life market in the UK. Given that there is lines, All classes other than little scope for growth in its core commercial territory, the Royal's future prospects will market praduced better results manoeuvres itself into the unitwith the most marked imprave-

In Canada the improving trend in commercial classes evident in the second balf of 1985 continued, with a some-what better result in the persanal classes, including a marginal insurance profit. Premium growth in local terms of 31 per cent was accounted for by price increases, mainly in commercial business, which also assisted in the five points improvement in the expense

comment

In the first quarter of 1986 the Royal Insurance company found itself, for the first time in years, in the right places at the right time. Within the international time. Within the international insurance industry the boombaam sectar was commercial husiness, specifically in the US, UK and Canada and the Royal, of all the composites, was best placed to benefit from the boom. The market had anticipated the trends but had underestimated the extent of the Payal's rethe extent af the Rayal'a re-covery perhaps because adverse exchange rates exaggerated its dallar losses in the first quarter dailar losses in the first quarter last year. Analysts have been busily upgrading their profit farecasts for the full year to £225m and a p/e of 13 on a reduced tax charge of 25 per cent far 1986 which will soar to 35 per cent in 1987 once the US losses are exhausted. The US commercial rate increases, which buoyed these results, will cantinue to filter through for the next year or so and the com-pany anticipates continued re-covery in Canada. The only imponderable hovers over the

### Exco to buy **15% of its** own shares for £88m

By Lucy Kellaway

**UK COMPANY NEWS** 

EXCO INTERNATIONAL, the money broking and financial services group, yesterday asked its shareholders to anthorise it to buy up to 15 per cent of its own shares for maximum price-of-£88m.

At the year end, the com-pany had cash balances of mere than £320m, boosted by the sale last year of its 52 per cent stake in Telerate.

Mr John Sangster, Exco's chairman, told shareholders in the 1985 annual report, published yesterday, that "the very substantial cash resources available to us will not be allowed to burn a hole in aar pocket."

Although the France Con-

Although the group con-tinued to look for substan-tial acquisitions in the financial services sector, it might become appropriate for the company to buy some of its ewn shares, he said. Consequently, Exco is seek-ing permission to buy up to

35m shares at not more than 250p each. If the company does purchase its own shares, it will only be the third major company, after GEC and Jacob Rothschild to have done so.
Last March, Exco called off merger talks with Morgan Grenfell, because the merged group fell foul of the Bank of England's O'Brien rules. England's O'Brien rules, which forbid close links between a bank and a money

"This proposal, unfilled though it was, demonstrated that our hasle objective is ta add one or twa major businesses to our existing three main activities of money broking, stockbroking and for-feiting." Mr Sangster said.

### ECC ahead by £7.7m halfway

tax has increased from £24.36m to £32.06m. Group expenses and net interest charges were cut from £7.74m to £3.63m and the sale of the leisure side dispensed with losses—£2.83m in 1985. On the trading front, EEC.

International and transport and services made £24.44m (£24.52m), quarries £8.99m (£5.79m), International Drilling Fluids £1.75m (£2.48m), and construction £2.52m (£2.13m).

The directors are lifting the interim dividend from 4p. to 4.25p net, and intend to at least maintain the final at 7p. In the half-year, certain sub-sidiaries have been sold. With the exception of the leisure division, their sales and profits are included in the half-year

Inclusion of the leisure side would have meant taking in winter costs. only, and it was thought this would be misleading. Therefore, these costs to January 31 (the effective sale date) of £3.1m and the related tax relief of £1.2m have been included in extraordinary items.

Sales of the subsidiaries raised £41m cash, of which the leisure side accounted for

Sir Alan Dalton, chairman, in his review of trading, says ECC linternational (formerly Clays) tax. At this level, the shares had a satisfactory half with sales levels to all markets at least maintained. Paper industries in Western Europe and cooping better than some. This year ECC could surprise the market by reaching 195m pre-lated than some. This year ECC could surprise the market by reaching 195m pre-lated than some. This year ECC could surprise the market by reaching 195m pre-lated than some. This year ECC could surprise the market by reaching 195m pre-lated than some. This year ECC could surprise the market by reaching 195m pre-lated than some. This year ECC could surprise the market by reaching 195m pre-lated than some. This year ECC could surprise the market by reaching 195m pre-lated than some and the stated than some and the same and the same

THE SALE of the leisure division and a big reduction in expenses and interest charges are the major benefits to come through in the half-year results of English China Clays.

For the six months ended March 31 1986, the profit before tax has increased from £24.36m to £32.08m. Group expenses and net interest charges were cut from £7.74m to £3.63m and the comment

The City has perennially cost English China Clays as the designer victim of a takemer bid; and speculation as to a true net asset strength circa \$5 a share plus last summer's unhappy £86m rights issue certainly made ££C vulnerable in the second half of £985. However, the boot is now on the other foot. First, those who subscribed to the rights at 220p have every reason to be bappy with the rise to 348p. Second, the dult and highly cyclical leisure activities have been sold to Rank. Third, with next to no debt and better rated paper, the prospect of £CC itself turning predator has been greatly enhanced. While no target springs immediately to mind, the tradition of agreed bids could be discarded for something in the reison of £100m market capitalisation, with perhaps the odds being on the housing construction. with perhaps the odds being on the housing construction side. This year cash and profit generation is sufficiently strong to fund a generous capital leisure side accounted for spending programme and spending programme and spending programme and although International Drilling Fluids cannot be expected to make much profit given the current climate, it seems to be coping better than some. This

N Z IN

U.S. \$125,000,000

### **MCorp** A Momentum Company

Floating Rate Subordinated Capital Notes Due 1997

Interest Period

14th May 1986 14th November 1986

Interest Amount per U.S. \$50,000 Note due U.S. \$1,772.92

> Credit Suisse First Boston Limited Agent Bank

NOTICE TO HOLDERS OF

### FIRST CHICAGO CORPORATION Floating Rate Subordinated Capital Notes **Due February 1997**

NOTICE IS HEREBY GIVEN to the holders of First Chicago Corporation Floating Rate Subordinated Capital Notes Due February 1997 (the "Notes") that pursuant to Section 4.02 of the relevant Indenture dated as of January 15, 1985, as amended by a First Supplemental Indenture dated as of December 15, 1985 between the First Chicago Corporation (the "Issuer") and Chemical Bank, Trustee, the Issuer has appointed: Swiss Bank Corporation Aeschenvorstaft 1 CH-4002 Baste

as an additional paying agent for the Notes, where Notes and coupons can be presented or surrendered for payment; and where Bearer Notes may be surrendered for exchange for Bearer Notes, or, subject to any applicable laws and regulations, for Registered Notes.

by Chemical Bank,

**NEW ISSUE** 

May, 1986

### FIAT FINANCE AND TRADE LTD. (Incorporated with limited liability in the Cayman Islands)

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Genossenschaftliche Zentralbank AG

Mitsubishi Finance International Limited

**EBC Amro Bank Limited** 

Yasuda Trust Europe Limited

CRAND METROPOLITA INTERIM REPORT – 1986 The results of the United States sector benefited from an

The group's profit before taxation increased to £140.2 million for the half year ended 31st March, 1986, compared with £131.9 million for the corresponding period of the previous year. If the same exchange rates as a year ago had been used to translate the results of overseas subsidiaries into sterling, the group's profit would have been £13.4 million higher. Earnings per share increased by 10.4%, from 11.5p to 12.7p.

An interim dividend of 4.0p per share is to be paid, representing an increase of 10.0% over the corresponding subsequent one for ten capitalisation issue).

The group has made a number of acquisitions and disposals in the last year or so which distort comparisons between the first half of the current year and the corresponding period of the previous year. But for the effect of these, and the impact of movements in exchange rates on translation of the external sales of overseas subsidiaries into sterling, the group's turnover would have been higher than a year ago.

The United Kingdom sector made very satisfactory progress and achieved a 19.5% increase in trading profit compared with the corresponding period of the previous year. Higher sales volumes in Brewing reflected the substantial investment in brand development which has been made in recent years, whilst Consumer Services benefited particularly from the success of its licensed retailing and industrial catering activities. Foods' trading profit was significantly higher than a year ago despite the sale of its liquid milk business in the north af England.

improvement in margins in the cicarette business and, despite the fall in demand for fitness equipment, the -trading profit expressed in US dollars was 11.1% higher than a year ago.

In the International sector, Hotels maintained its trading profit, even as the market for hotel accommodation in Europe began to lose some of its buoyancy. Wines and Spirits continued to make good progress in almost all its markets and, but for the increasing weakness of the US dollar against sterling, would also have achieved a small increase in trading profit.

The reduction in the interest charge was attributable in the main to lower interest rates and to favourable exchange rate

The interim dividend for the year ended 30th September, 1986 of 4.0p per share will be paid on 6th October, 1986 to shareholders on the register on 29th August, 1986. The cost of the interim dividend will be £34.0 million (1985 -£30.7 million).

A valuation of the group's main UK pension fund, which has assets with a market value in excess of £500 million, is currently being completed by the consulting actuaries. Although preliminary calculations indicate a substantial surplus, it is intended to await publication of the Government's proposals for the control of pension fund surpluses generally before considering how best to apply this surplus.

S.G. Grinstead Chairm

	Half year (una	Year to 30 September		
	1986	1985	1985	
Turnover	£m	£m	£m	
United Kingdom				
8rewing	315.8	302.1	643.2	
Consumer Services	568.8	579.6	1,234.2	
Foods	342.6	367.6	778.1	
United States				
Consumer Products	625.9	765.7	1.502.1	
International			7	
Hatels	170.2	183.9	376.7	
Wines and Spirits	547.7	. 551.5	1,055.2	
	2,571.0	2,750.4	5,589.5	
Irading Profit				
United Kingdom			-	
Brewing	34.2	30.3	<del>7</del> 8.8	
Consumer Services	33.2	28.3	75.3	
Foods	15.9	11.1	27:6	
United States	•		25.0	
Consumer Products	35.4	38.8	84.3	
International		50.0	04.5	
Hotels	10.7	10.6	37.6	
Wines and Spirits	62.1	68.6	149.6	
	191.5	187.7	452.0	
Interest	(51.3)	(55.8)	453.2	
Profit on ordinary activities before taxation	140.2	131.9	(105.9)	
Taxation	(30.6)		347.3	
Profit on ordinary activities after taxation		(34.6)	(76.4)	
Minority shareholders' interests	109.6	97.3	270.9	
Preference dividends	(1.5)	(2.4)	(4.2)	
	(0.2)	(0.2)	(0.5)	
Profit attributable to ordinary shareholders				
before extraordinary items	107.9	94.7	266.2	
Extraordinary items	17.1	26.0	5.9	
Profit after extraordinary Items	125.0	120.7	2721	
Earnings per share	12.7p			
		11.5p	31.90	

Profits and losses of overseas subsidiaries are translated into sterling at weighted average rates of exchange.
 The charge for itoution is estimated on the basis that the rate of UK corporation tax will be 37.5% (1985 – 42.5%) and includes overseas of £12.9 million (1965 – £14.4 million).

of £12.9 million (1905 – £14.4 million).

3. The figures of earnings per share are calculated by reference to the profit attributable to ordinary shareholders before extraordinary items. They have been adjusted to take account of the capitalisation issue of one ordinary share for every ten shares held at the close of business on 31st January, 1966. open acquired to take account in the september, 1985 have been extracted from accounts which have been filed with the Registrar of Cou

Grand Metropolitan PLC, 11-12 Hanover Square, London W1A 1DP. the state of the second and the second

### **UK COMPANY NEWS**

Advertising revenue perks

THE decline in net advertising in 1985, and the benefits of

revenue experienced by Radio
Clyde in the year to September
30—in the year, pre-tax profits
fell from £624,000 to £336,000

The six months to March 31
1986 this independent local
this

up to boost Radio Clyde

by yesterday's disappointing

figures. Despite the confidence

of last November, profits are barely higher than the previous

year and still short of the

figure earned in the dim and distant past of 1974. An accus-

ing finger waves towards the tast acquisition, Pepper Lee, which brought more problems than Foster envisaged. Two

sets of consultants have been

tunning through the group and increased efficiencies reduced manning) may come in time for Foster to make the £1.6m this year that everyone

had anticipated for the past one. If not then the shares may

First half turnover improved by 17 per cent from £2,12m to £2,47m. Tax took more at £118,000 compared with £80,000, leaving attributable profils £87,000 higher at £196,000.

The interim dividend for both voting and non-voting shares is

again 1.25p net—last year's total was 3.25p. Dividends absorb £71,000 (same), for retained profits of £125,000 (£38,000). Stated earnings per 25p of this USM company were 3.42p. spainer; 1.91p.

BOARD MEETINGS

3,43p against 1.91p.

### Acquisitions cause greater problems for John Foster

lay 16 1986

See Strength despending to leave the see of the right of the see o

grant to the conthe state of the

 $\chi_{i,j}: (A_{i,j})_{i,j} \in \mathcal{D}_{i,j}$ 

 $(A_{i}, A_{i}) \in \mathcal{M}$ 

The result brings to a helt are shown at 11.4p (11.2p), and he group's rapid rate of growth the final dividend is 2.5p for a The result brings to a half the group's rapid rate of growth since its losses in the early eighties. Profits of £245,000 were earned in 1882-83 with £602,000 in the following year.

The directors say recent acquisitions have caused greater

Warner Estate

A substantial increase in property income with acquisitions over the last two years providing the major contribution, has enabled Warner Estate Holdings to lift its pre-tax profit from £1.63m to £1.89m for the half year ended March 31

the half year ended March 31,

Earnings are up from 9.36p to 12.31p per share, and the in-terim dividend is raised from

for to 7.5p net.

The trend to rising rents should continue as recently completed developments become

completed developments become revenue producing, Bad weather and low gross margins continued to depress the builders' merchanting sub-

Extraordinary credits of £2.67m—surplus on selling vacant dwellings £1.56m and

profit on sale of fixed asset investments £1.11m—have been

taken to reserves.

lifts profit

and interim

half has resulted in only maintained profits for John Foster and Son in the year ended February 28 1886. The group is a splinner and manufacturer of manufacturer of cloths.

The problems than originally expected; furthermore, the cost of these involved disbursement of significant cash and the company has suffered from high interest rates—the charge for cloths.

cloths.

Turnover in the year came to £24.33m, agains; £21.53m, and the pre-tax profit was £1.13m, compared with £1.1m.
Earlier expectations of a greater improvement in the second half were not fully realised partly due to deferment of certain existing orders from markets affected by the weak dollar.

In spite of less advantageous world trading conditions, export business (particularly in the Far East) continue to flourish. There has been a satisfactory increase in exports to Europe with sales rising by over one-third to reach £7m.

After tax of £123,000 (fill 6,000) earnings for the year Europe with sales rising by over one-third to reach £7m. After tax of £123,000 (£116,000) earnings for the year

net total of 3.5p (3p).

Relative to the market John Fosier has been travelling sideways since the beginning of

radio station made considerable progress and pre-tax profits increased by 68 per cent from £189,167 to £314,284.

The figure was after adjust-ment for the IBA secondary

rental and Exchequer Levy.
Net advertising revenue in
the opening half was 4 per cent
up on the corresponding period
last year. Trading since March
31 indicates a further improve-

ment in the current quarter. There was also an increase in

revenue from non-broadcasting entertainment during the six

Radio Clyde Instituted a number of cost-cutting measures

**British** 

months.

### Aberdeen Construction increases provision

Nearly f1m has been wiped off the 1985 preliminary profit announced on May 2 by the Aberdeen Construction Group. The final dividend, however, is to remain at the recommended 5.7p net. On the stock market the company's shares fell by 6p to 252p.

The directors explain that, since the preliminary announcement, reappraisal of the potential results on civil engineering work has ascertained that a contract for a series of the potential results and the present along the prese water freatment plant in Derbyshire will result in a further loss for which no provision has been made amounting to £960,000. This contract will be completed in this year.

They are providing for that amount in the group accounts. This means that the profit before tax is revised to £3.67m, against £4.86m in 1984, and earlier earnings of 31.71p (16.61p) come down to 28.01p, after a tax charge of £964.000 [£2.11m).

Dividend total for the year is 8p (7.25p).

### Midway growth for Western Selection

Western Selection, the teleinvestment portfolio manager, has raised its pre-tax profit for the half year ended March 31 1986 from £383,000 to £586,000. The directors say the growth of the core busi ness contiones most satisfac-tority and is expected to justify further capital invest-ment in the medium term. The outlook for the remainder of the year is described as

The market value of the dealing portfolio at March 31 was £1.67m compared to a cost of £859,000. The company has since adopted a conservative investment policy, secur-ing further profits and adding to short term liquidity.

Half year's profit includes surplus on sales of invest-ments £151,000 (£108,000) and provision released on invest-ment portfolio £33,000. Earnings are 3.72p (2.27p) and the interim dividend 1.3p (1p).

The growth in cable sales to the telecommunications industry produced a significant improvement in operating profit, in spite of increasing competition.





# Responding to the challenge

Historical cost profit Replacement cost profit Earnings per share (historical cost)

1986 1985 First quarter First quarter £22m £515m £402m £740m 28.2p

**BP FIRST QUARTER RESULTS, 1986** 

A dramatic drop in crude oil prices heavily influenced BP's results this quarter. But despite significant stockholding losses, the Group produced a very strong trading performance.

BP is taking positive steps to preserve its financial health by tightly controlling planned capital and operating expenditure.



### HIGH LEVEL OF ACTIVITY THROUGHOUT THE YEAR

Highlights from the statement by the Chairman, Mr. Charles M. Fenton:

★ Turnover Increased by 10% to £40 million.
 ★ Profit before tax £3,474,000, compared with £4,210,000, and in line with expectations.

\* Total dividend for the year 6.0p (same), covered 2.94 times \* Activity in all parts of business remained at a high level

throughout the year.

Substantial export orders booked by British Mohair Spinners since the year end. Demand from certain other markets remains weak. Activity in other group companies

\* Performance for whole year should not differ very materially from that of 1985.

British Mohair Spinners Geo. Ackroyd Juni Jeremiah Ambier (Ulster) Crofton Yarns Keighley Fleece Mills-Stork Bros.

TRADING SUBSIDIARIES Worsted spinners Commission combers Worsted spinners Synthetic yarn process Property company Woollen spinners Acoustic engineers Manufacturers of textile machinery access Spinners of hand knitting yerns nts of paper and ts of paper and packing materials Manufacturers of industrial surgical and razor blades

Copies of the Annual Report and Accounts may be obtained from The Secretary, British Mohair Holdings plo, P.O. Box 58, Midland Mills, Bradford BD1 4RL

The Australian Industry Development

Corporation (A statutory corporation, wholly owned and guaranteed by the Commonwealth of Australia)

U.S.\$100,000,000

11% PER CENT. NOTES DUE 1990

NOTICE IS HEREBY GIVEN that, pursuant to Condition 6(b) of the Notes, Citibank, N.A., as Fiscal Agent, has selected by lot for redemption on June 2, 1986 US\$7.18(0,000) principal amount of said Notes at the redemption price of 101% of the principal amount thereof, together with accrued interest from February 28, 1986 to June 2, 1986 194 days). The value of each Note is US\$5.050 plus interest of US\$155.03 total US\$5,205.03. Outstanding Bonds bearing serial numbers ending in any of the following two digits have been selected by lot for redemption: 15 17 29 42 46 81 88.

Payment will be made upon surrender of Notes together with all coupons maturing after the date fixed for redemption, at the offices of the Paying Agents as shown on the Notes. On and after June 2, 1986 interest on the Notes will cease to accrue and unmatured coupons will become void.

Outstanding after June 2, 1986 US\$32,000,000.

May 16, 1986 By Citibank, N.A. ICSSI Dept.) London Fiscal Agent

CITIBANCO

### BASE LENDING RATES

Financial & Gen. Sec. First Nat. Fin. Corp. First Nat. Sec. Ltd.... Believe Flexing & Co. Robert Fraser & Ptrs. Grindleys Bank... Guinness Mahon... Hambres Bank... ABIN Bank
Allied Dunbar & Co
Allied Dunbar & Co
Allied Irish Bank
American Express Bk
Amero Bank
Henry Anabacher
18% 13% 11% 11% 19% 19% 19% Knowsley & Co. Ltd.... Lloyds Bank Bank of Irdia
Bank of Irdia
Bank of Scotland
Banque Belge Ltd
Barclays Bank
Benedicial Trust Ltd Brit. Bk. of Mid. Rast. National Bit of Knwait.
National Grobank
National Westminster
Northern Bank Ltd Caysor Ltd 127
Caysor Ltd 127
Cedar Holdings 124
Charterhouse Japhet 1844
Critbank NA 1844 Norwich Gen. Trust
PK Finans. Intl (UK)
Provincial Trust Ltd
R. Raphael & Sons City Merchants Bank 101/4 11 City Merchants Sank
Clydesdale Bank
C. E. Costes & Co. Ltd.
Comm. Rk. N. East
Consolidated Credits Boxburghe Guarantee

Royal Bank of Scotland

Royal Trust Co. Canada

Standard Chartered

Trustee Savings Bank C. E. Costes & Co. Ltd. 12
Cosm. Bk. N. East. 18%:
Consolidated Credits. 18%:
Costinental Trust Ltd. 18%:
Co-operative Bank 18%:
The Cyprus Popular Bk. 18%:
Dancan Lawrie. 11%:
LT. Trust. 11% United Sank of Kuwaii 18%
United Miarahi Bank 18%
Westpac Banking Corp 18%
Whiteaway Laidlaw 11
Yorkshire Bank 18% a Members of the Accepting Houses Committee. "7-day deposits 6.38%.

1-month 6.69%. Top Tier—625,000+ at 3 months notice 9.72%. At call when £10,000+ remains deposited. ‡ Call deposits £1,000 and over \$4.% of the first fir

### The Great Northern Telegraph Company's **Holding Company Limited** (Registered in Dennutrk, No. 9181)

RIGHTS ISSUE

The Great Northern Telegraph Company's Holding Company Limited ("the Company") announces that at a meeting of the Board of Directors held on 19th March, 1986 a resolution was passed to increase the issued share capital of the Company from D.Kr. 49,140,000 to D.Kr. 73,710,000 by offering new shares with a nominal value of D.Kr. 24,570,000 for subscription in Danish Kroner at a price of 430 per cent. of par, the Company's existing shareholders having prior subscription rights.

The new shares will entitle their holders to the full amount of any dividend to be declared in respect of the year ending 30th June, 1987, but not to dividends in respect of earlier periods. In all other respects the new shares will rank pari passu with existing shares.

A copy of the Circular to Shareholders dated 15th May, 1986, which includes Listing Particulars relating to the Company in accordance with The Stock Exchange (Listing) Regulations 1984, has been delivered to the Registrar of Companies in England and Wales as required by those

Copies of such Circular containing such Listing Particulars, and giving full particulars of the Righls Issue and the procedure for exercising such prior subscription rights, are available to shareholders, together with the related lodgement form, at Hambros Bonk Limited, Stock Counter, 41 Rishopsgate, London EC2P 2AA during normal banking hours from today until 26th June, 1986.



Export Development Corporation

(An agent of Her Majesty in right of Canada)

Société pour l'expansion des exportations

(Mandataire de Sa Majesté du chef du Canada)

ECU 100,000,000 63/8% Notes Due 1996

This announcement appears as a matter of record only

Issue Price 100%

BANQUE PARIBAS CAPITAL MARKETS LIMITED DAIWA EUROPE LIMITED DEUTSCHE BANK CAPITAL MARKETS LIMITED KREDIETBANK INTERNATIONAL GROUP UNION BANK OF SWITZERLAND (SECURITIES) LIMITED

BANQUE BRUXELLES LAMBERT S.A. BANQUE GENERALE DU LUXEMBOURG S.A. BANQUE INTERNATIONALE A LUXEMBOURG S.A. BANQUE NATIONALE DE PARIS COMMERZBANK AKTIENGESELLSCHAFT CREDIT COMMERCIAL DE FRANCE CREDIT SUISSE FIRST BOSTON LIMITED DOMINION SECURITIES PITFIELD LIMITED EBC AMRO BANK LIMITED ISTITUTO BANCARIO SAN PAOLO DI TORINO MORGAN GRENFELL & CO. LIMITED

> ORION ROYAL BANK LIMITED OESTERREICHISCHE LAENDERBANK AKTIENGESELLSCHAFT SWISS BANK CORPORATION INTERNATIONAL LIMITED YAMAICHI INTERNATIONAL (EUROPE) LIMITED

Banca Commerciale Itoliana Bank Mees & Hope NV Bank of Tokyo International Limited Berliner Bank Aktiengesellschoft Citicorp Investment Bank Limited Credit Agricule Credit du Nord Den norske Creditbank (Luxembourg) S.A. Kyowa Bank Nederland N.V. Milaui Trus Bank (Europe) S.A. Nippon European Bank S.A. - LTCB Group PK Christiania Bank (UK) Limited Sal Oppenheim jr. & Cie Sumitomo Finance Interno: Takugin International Bank (Europe) S.A.

Union Bank of Norway Sparebanken ABC Westpac Banking Corporation

ANZ Mercham Bank Limited

Al-Mai Group Bonco Monusardi & C. Bank für Gemeinwirtschoft Aktiengesellschoft Bank of Montreal Bankers Trust International Limited Caisse Centrale des Banques Populaires Compagnie Monégasque de Banque Crèdit Industriel d'Alsoce et de Lorraine Dai-Ichi Kangyo International Limited Deutsche Grozentrale - Deutsche Kommunalba Lloyds Merchant Bank Limited Moscley Capital Markets Ltd. Nippon Kongyo Kokumaru (Europe) Limited Prudential-Bache Securities International Sanwa International Limited Sumutamo Trust Internacional Limited Tokai International Limited
United Overseas Bank (Luxembourg) S.A.

Al-Saudi Banque (A.S.B.) Banca Nazionale del Lavoro Bank Leu International Lid The Bank of Novo Scotia Channel Islands Limited Banque de Neuflire, Schlumberger, Mallet Chase Manharlan Limited County Bank Limited Crédit Lyonnais Den Danske Bank Mitaui Finance International Limited Missu Finance International The Nikko Securities Co., (Europe) Ltd. Poine Webber International Rabobank Nederland Sparekassen SDS Taiyo Kobe International Limited The Toronto Dominion International Limited Vereins- und Westbank Aktiengesellschaft To the Holders of

### WESTPAC BANKING CORPORATION

12%% Subordinated Bonds due 1992

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Trust Deed dated January 31, 1985, \$5,000,000 principal amount of the above described Bonds has been selected for redemption on June 18, 1986 at a redemption price of 101% of the principal amount thereof, together with accrued interest to said date, as follows:

BONDS OF U.S. \$5,000 EACH

						DQ:	De VI		3,000						
- 6	1603			5616	6929	8272	9557	10637	12161	13575	1.4031	16752	17295	18290	19590
7	1616	2725	4164	562	6949	8315	9593	10891				16284		18742	19592
fi.	1667	2168	4202	5625	6958			10903				16291	17316	18333	19593
1301	1689	2789	4231					10916			14960	16316		18337	10505
95	1716	2803	4201	564				10937	12290	13649	15064	16327	17360	18445	19597
113	1723	28t3		565	7070			10947		1370	12000	te345		1844	9602
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127	1739	2884				8464	9729 9730	10991	12349	13772		163.19		184.7	19622
130		9004	10.45				97.14	11001	12426			16363	17469	18490	19627
136		293t	4451	5751		8515	97.83	11005		13837	15161	16317	17484	18498	19630
148		2969	4468		7168	8537	9798	11033		13858	16161	16.192	17522	18503	19647
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3, 19	1809	3037	4198		7228	862	9931	11075	12479	13927	15211	10469	17575	18633	19679
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35.	1874	3093		5905	7307	8633	9.08	11190	12496	13947	15996	16515	17621	18693	19684
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	2304	3579	5115	6403	78301	906	10326	11648	13104	14521	15761			19402	198-7
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1445	2552	1904	5.168	6699	811.78	9,484		11870	13350	14800	15495	17174	18190	19522	199913
1261	2553	3906	5369	6715	MIT:	94117	14634	11904	1.3361	14822	16025	17 t×9	18221 18222	19526	19993
1298	2562	3916	54.30	6725	8077	9416	10634	11967	13367	14828		17198	18222	19549	
1.406	2564	3936	5431	67.Li	80.92	5404		11968	13377	14850	16058	17.205	18277	19549	
1.197	2574	3993	5445	6791	8149		10643	11990	13428	14862	15089	17213	16234	19550	
1441	2595	400 t	5449	6797	4158	9515	10670	11991	13433	14884	16090	17214	18252	19551	
1505	2607	4064	5,406	6804	8191	U527		12048	13534	14889	16100	17221	18258	19553	
1567	2631	4093	5567	6868	8207	9531		12086	13562	14890	16133	17233	1 <i>6</i> 2h1	19574	
1384	2636	4106	5597	6915	MAIIN		10826	12108	1.3560	14903	16148	I 7 . 3 N	1826;	14580	
1597	2668	4113	5605	43.12	b. 63	<b>9558</b>	10833	12141	13572	14925	16213	17374	18270	19589	

On June 18, 1986, the Bonds designated above will become due and payable as aforesaid in such coin or currency of the United States of America as at the time of payment shall be legal tender for public and private debts. The said Bonds will be paid, upon presentation and surrender thereof with coupons due January 31. 1987 and subsequent attached, at the option of the holders rubject to applicable laws and regulations, at the main offices of Morgan Guaranty Trust Company of New York in Brussely, Franklurt (Main for London, or Kredietbank S.A. Luxembourgeoise in of New York in Brussely, Franklurt (Maint or London, or Kredictionak S.A. Luxembourgeoise in Luxembourg, or Swise Bank Corporation in Basle. Paraments at the offices referred to above will be made by a check drawn on, or by a transfer to, a United States dollar account maintained by the pavee with a bank in New York City. Any payment made by transfer to an account maintained by the pavee with a bank in the United States may be subject to reporting to the United States Internal Revenue Service (IRS tand to backup withholding of 20% of the gross proceeds if payees who are not recognized as exempt recipients fail to provide the paying agent with an executed IRS Form W-8, certifying under penalties of perjury that the payee is not a United States person or an executed IRS Form W-9, certifying under penalties of perjury the payer's taxpayer identification number (employer identification number or social security number, as appropriate). Those holders who are required to provide their correct taxpayer identification number on IRS Three holders who are required to provide their correct taxpaver identification number on IRS Form W-0 and who fail to do so may also be subject to a penalty of \$50. Please therefore provide the appropriate certification when presenting your securities for payment.

On and after June 18, 1986 interest shall cease to accrue on the Bonds herein designated for

7.47% 10.52%

7.10% 10.00%

NOTICE OF REDEMPTION AND

TERMINATION OF CONVERSION RIGHTS

KAWASAKI STEEL CORPORATION

(Kawasaki Seitetsu Kabushiki Kaisha)

U.S. \$100,000,000

5%% Convertible Bonds Due 1996

NOTICE IS HEREBY GIVEN that, in accordance with the provision of the Trust Deed dated 1st September, 1981 between Kawasaki Steel Corporation (the "Company") and The Bank of Tokyo Trust Company as Trustee, under which the above described Bonds were constituted, the Company has elected to exercise its right to, and shall, redeem on June 18, 1986, all of its outstanding Bonds at a redemption price of 103% of the principal amount thereof, together with accrued interest to such date of redemption which will amount to \$62.29 for each Bond.

amount to \$62.29 for each Bond.

The payment of the redemption price and accrued interest will be made on and after June 18, 1986 upon presentation and surrender of the Bonds, together with all coupons appertaining thereto mathring subsequent to Jone 18, 1986, at the principal office of The Bank of Tokyo Trust Company, as Principal Paying Agent for the Bonds, in New York City, 100 Broadway, New York, New York 10006 or at the principal office in the city indicated below of any of the following Paying Agents:

The Bank of Tokyo, Ltd., The Dai-Ichi Kangyo Bank, Limited, The Long-Term Credit Bank of Japan, Limited, The Daiwa Bank, Limited, in London, Crédit Lyonnais and The Bank of Tokyo Limited, in Paris, Commerzbank Aktiengenelischaft in Frankfurt, Dai-Ichi Kangyo Bank (Schweiz) AG in Zorich, Swiss Bank Corporation in Baste and Zorich, Dai-Ichi Kangyo Bank Nederland N.V. in Amsterdam, The Taiyo Kobe Bank (Luxembourg) S.A. and Banque Internationals a Luxembourg S.A. in Luxembourg and Morgan Guaranty Trust Company of New York in Brussels.

On and after June 18, 1986, interest on the Bonds will cease to accrue. The Bonds may be converted internationals and the supplementation of th

S.A. In Luxembourg and morgan Guaranty Trust Company of New York in Brussets.

On and after June 18, 1996, interest on the Bonds will cease to accrue. The Bonds may be converted intrahares of Common Stock of the Company at the conversion price (with Bonds taken at their principal amount translated into Japanese Yen at the rate of Yen 234.50 equals U.S. \$1) of Yen 229 per share of Common Stock. Each bondholder who wishes to convert his Bonds should deposit his Bonds, together with all unmatured coupons, with any of the Conversion Agents being the same as the Paying Agents specified above, accompanied by a notice of conversion (the form of which notice is available from any of the Conversion Agents). BUCH CONVERSION RIGHTS WILL TERMINATE AS TO ALL BONDS AT THE CLOSE OF BUSINESS ON JUNE 17, 1986.

For the information of the bondholders, the reported closing principal the Company Stock of the Conversion.

For the information of the bondholders, the reported closing prices of the Common Stock of the Company on the Tokyo Stock Exchange during the period from April 7, 1986 to May 5, 1986, ranged from a high or Yen 163 to a low of Yen 162 per share. The reported closing price of such shares on the Tokyo Stock Exchange on May 12, 1986, was Yen 162 per share.

NOTICE OF CALL AND REDEMPTION

To the Holders of

The Bank of Tokyo, Ltd., Portland Branch

US\$10,000,000 Callable Negotiable Floating Rate

Certificates of Deposit due May 29, 1987 (the "Certificates")

Notice is hereby given that, pursuant to the provisions of the Certificates. The Bank of Tokyo, Ltd., Portland Branch I"the Bank" will prepay the outstanding principal amount of the Certificates identified below in full on May 30, 1986, the next interest Payment Data, together with the interest accrued to that date. Payment will be made against presentation and surrender of said Certificates at The Bank of Tokyo Trust Company at 100 Broadway, New York, NY 10005. The Certificates being called are as follows:

The Bank of Tokyo, Ltd., Portland Branch, 411 SW 6th, Portland, Oregon, 97204

Total Number of

(Nos PT 6801-PT 6810)

KAMASAKI STEEL CORPORATION

By: The Bank of Tokyo Trust Company as Principal Paying and Conversion Agent

Principal Amount

\$1,000,000

7.88%

Dated: May 16, 1936

Dated: May 16, 1986

issue Date

NOTICE TO LOMBARD DEPOSITORS

14 Days Notice

Cheque Savings Accounts

When the balance is £2,500 and over

When the balance is \$250 to \$2,500

\_ombard

North Central

17 Bruton St, London W1A 3DH.

5.60%

A FINANCIAL TIMES SURVEY CORPORATE COMMUNICATIONS

WESTPAC BANKING CORPORATION

Tuesday 10 June 1986 For further information, please contact: NINA JASINSKI on 01-245 8000 est 4611 FINANCIAL TIMES

> 1,300-1,306 (-20) Based on FT Index Tel: 01-427 4411

Enrope & Business Newspaper

LADBROKE INDEX

US\$ 100 000 000.-

Credit Suisse Finance (Panama) S.A. 11¾% Guaranteed Notes, Series A, due 1992

and

100 000 Warrants to subscribe

US\$ 100 000 000.-1134% Guaranteed Notes, Series B, due 1992

NOTICE IS HEREBY GIVEN, pursuant to the Terms and Conditions of the captioned issues, that US\$ 1 000 000 principal amount of Series A Notes have been drawn for redemption at 101% of their principal

The serial numbers of the 1 000 Series A Notes of US\$ 1 000 each, drawn for redemption and representing

The Notes drawn for redemption will become due and payable on June 16, 1986 together with accrued interest

On and after June 16, 1986 the Series A Notes so redeemed shall cease to bear interest.

Series B Notes: US\$ 82 414 000,--

**CREDIT SUISSE** as Fiscal and

### UK COMPANY NEWS

ISSUE NEWS

### Charles Barker valued at £30m in SE flotation

largest communications group cent. in the UK, is being floated on Traditionally the company has the Stock Market with a value had strong links with the City.

today of an offer for sale of BET, Rank, Guinness and Ples-5m shares by J. Henry Schroder sey in their take-over battles. Wagg at 150p. About one-quarter of these will he used quarter of these will he used to finance the purchase of Norman Broadbent International, the executive bead-hunters. The remainder of the shares are being sold hy existing shareholders.

The company, which was film last year. founded in 1985, now consists Over the of four main areas: advertising, public relations, human re-sources and sales promotion. Charles Barker claims to have pioneered a move towards offering a broad range of services, something which the rest of the industry has followed more recentis.

company has over 1.100 clients, of which the top fifty account at the offer price is 2.8 per cent. for 52 per cent of operating The applications list opens on income. The largest single May 21 and dealings start on

BY RICHARD TOMKINS

at 150p a share.

ingersoll Locks.

retrenchment.

Gold Fields in mid-1984, comes to the stock market today with an offer for sale of 4.5m sbares

Its value at the offer price will be £18.4m and with profits

of £2.7m forecast for the year to June. it is being floated on

a prospective price/earnings multiple of 10.3. The issue is

sponsored by Barclays Merchant Bank with De Zoete & Bevan.

The company has two arms.

The first, Alumase Ltd, is best known as Britain's biggest manufacturer of beer barrels,

but it also designs and makes a range of other products in-cluding beer dispensing equip-

ment, aluminium rainwater guttering and precision com-ponents. The second is

Alumase suffered badly dur-ing the recession of the early

1980s and the management responded with a programme of retrenchment. The profits

been patchy but the pre-tax figure has risen from £895,000 in 1981 to £2.4m for the year

**Alumase launch on SE** 

Alamase, the heer barrel-to- used to repay part of the bor-

comment

treated Alumase cruelly in the early 1980s and its survival today is a tribute to the skills

of its management and adaptability of its workforce. How the market will perceive it is another matter: born of Gold

Flelds' decision to opt out of industry and stick to its last, the group in its present form looks something of a rag-bag of

at best loosely-related activities

account for only half the profits

prices it over £18m

locks group bought out by its rowings incurred management from Consolidated

Charles Barker, the second client, Plessey, represents 9 per May 29. Cazenove is broker to

and recently has been acting Full details are odvertised for Allied-Lyons, Debenhams,

> Norman Broadbent, which is being acquired for an initial consideration of £3.2m and a further performance related payment of an estimated £3.4m, is only four years old and bas grown from a company making profits of £111,000 in 1983 to Over the past five years

Charles Barker has grown steadily in terms of both billings and profits. In 1931 it had billings of £595,000, compared with billings of £137m and pro-fits of £2.6m in 1985. The offer for sale figures bave

In public relations and human resources Charles Barker professes to be the second largest company in the UK.

Throughout its activities, the

The year to March 31 1986 saw lotal income improve from 5391.6m to £417.6m. This comprised interest income of £952.7m (£998m) and other income of £73.2m (£65.1m) less interest payable of £608.3m

the flotation and allowed the institutions who want to sell to do so al a handsome price. while still presenting a fairly attractive package to potential investors. Indeed, the proforma rating on the enlarged group is positively down to earth compared to others in the sector. And while Charles Review is not one of the more Harker is not one of the more dynamic companies in the industry, neither could it be described as especially risky, with its weight of experience and breadth of business and clients. It is perhaps odd that the company should stress old-fashioned advertising as the expenses condidate for internal

### Bank of Ireland benefits from I£27m drop in provisions

A SHARP reduction in loan loss provisions enabled The Bank of made in recent years from a depressed IE32.7m to Comment IE81.3m (£73.7m) at the pre-tax Bank of Ireland has its

A £16.6m rise in tax to £37.4m A £16.6m rise in tax to £57.2m left net profits at £43.9m, compared with £31.9m. Earnings emerged 13.3p higher at 54.6p and a final dividend of 14p (12p) raises the total from 17.5p to 20.5p net per £1 share. A scrip issue on a one-for-one basia is also proposed.

Al the trading level the Bank of Ireland's profits rose from \$42.7m to \$74.3m.

£42.7m to £74.3m.

Pre-tax profits were struck after deducting loan loss provisions of £57.1m (£83.8m), operating expenses of £270.5m (£241.7m), interest on loan capital of £11m (£14.7m) and adding in e £2.3m (£1.3m) share of related companies profits.

At year end the group balance sheet totalled £75m and capital ratios continued strong. capital ratios continued strong.
The ratio of stockholders' funds to total assets was 6.4

The directors say improve shares down: sment in financial results largely this outlook.

(Royal Dutch)

A SHARP reduction in loan loss reflects benefits of changes

Bank of Ireland has its lighter

credit assessment controls to thank for lower bad debt chank for lower oad debt charges this time (and higher ones the year before is the doubtful risks were identified) although part of the increased uperating expense reflects the cost of expanding this side of the bank's operations. With no new large corporate items on the provisions list, the outlook is for lower charges in the future, providing the personal lending problems are kept small. Ireland's generous tak regime for borrowers. Cleasing plus section 84) has to be discounted before a proper picture of divisional performance can be drawn but clearly British Credit Finance the hire purchase offshoot, had margin chase offshoot, had margin problems on much of its UK lending Overall for the group after stripping out the fall in had debt provisions. Pretax profits rose by only Islam and the Islam rise in total income was offset by a 1528.3m rise in overheads. Until the expenses bill is tackled, Bank of Ireland looks unlikely to show gains looks unlikely to show gain from anything other than its tighter controls on lending. The shares down 35p et 470p, refrec

NV. Koninklijke Nederlandsche

Petroleum Maatschappij

Established at The Hague, The Netherlands

The General Meeting of Shareholders of Royal Dutch Petro-

leum Company held on 15th May, 1995, has decided to declare the final dividend for 1985 at N.fl. 8.30 on each of the

268,037,044 ordinary shares with a par value of N.ff. 10

outstanding at December 31, 1985, so that the total divi-dend for 1985; including the interim dividend of N.fl. 4,50

already made payable in September 1985, will amount to

In the case of holders of bearer certificates with coopons

this finel dividend will be payable against surrender of cou-pon No. 179 on or after 27th May, 1986, at the offices of:

N.M. Rothschild & Sons Limited

New Court, St. Swithin's Lane

on business days between the hours of 9.30 e.m. and 2 p.m.

Payment will be made in sterling at the buying rate of exchange current in London at 2 p.m. on 20th May, 1986, in the

case of coupons presented on or before that date, or on the

day of presentation in the case of coupons presented subse-

quently. Coupons must be accompanied by a presentation

Final dividend 1985

N.fl. 12,80 on each of the said shares.

London EC4P 4DU

### Savage to join USM following buy-out

comment

One of the best things that

Charles Barker ever did was to buy Norman Broadbent. It has

paid a mere p/e of 11 for a company that has grown ten fold in four years and is now

making more than a third as much profit as Charles Barker itself. This deal has subsidised

the flotation and allowed the

Barker is not one of the more

9trongest candidale for internal growth, as this has been one of

its less successful markets, and one which promises none of the spanking growth of PR or sales

Savage, Britain's leading sup-plier of wall-mounted shelving systems, is being floated on the unlisted securities market in the wake of a management buy-ont financed by investors in Industry.

Although beer consumption in Britain is staguant, Alumase says that the proliferation of new beer brands is buoying Some 3m shares-about 35 per cent of the equity—are being placed at 100p a share, put-ting a value of £8.67m on the demand for conteiners and it is also planning to expand into making stainless steel kegs. The whole company. Sponsors to the issue are Hill Samuel, the group also expects strong growth in its other divisions. merchant bank, and brokers are Capel-Cure Myers. Founded in 1937, Savage was The twin blows of recession and the decline in beer drinking

originally a contract engineer but began making shelving systems in 1957. The present managers, most of whom have been in place since 1930, bought the company from the Savage family at the end of 1984.

Trading profits rose, from £456,000 in 1981 to £737,000 in the year to June 1985, partly through organic growth and partly through acquisitions. However, the increase in the section of the partly through acquisitions. interest charges resulting from the buy-out costs means that the gain at the pre-tax level bas been smaller, from £225,000 to

and is probably best know for its slowest growth product, the beer keg. The non-beer related activities have been moving ahead strongly and promise more of the same, but these £397,000. Unusually, none directors are selling shares in the flotation. Most of the net proceeds—some £2.6m—will go into the company where it will manageable 30 per cent.

Pre-tax profits of at least £775,000 are forecast for the

current year, putting the shares issued by the company will raise modest premium if the market on a prospective p/e ratio of about film net which will be does not succumb to its jitters. 13.7.

form, copies of which can be obtained from N.M. Rothschild & Sons Limited.

In the case of shares whose dividend sheets were, at the close of business on 15th May, 1986, in custody of a Depositary admitted by Centrum voor Fondsenadministratie 8.V. Amsterdam, this final dividend will be paid to such Depositary on 27th May, 1986. Such payment will be made through the medium of N.M. Rothschild & Sons Limited, after receipt by them of a duly completed CF Dividend Claim Form.

Where under the double tax agreement between the United Kingdom and the Netherlands, 15 per cent Netherlands dividend tax has been withheld, the 15 per cent Netherlands tax is allowable for a resident of the United Kingdom as a credit against the United Kingdom income tax payable in respect of the dividend. The deduction of United Kingdom income tax at the reduced rate of 14 per cent instead of at the Basic Rate of 29 per cent represents a provisional allowance of credit at the rate of 15 per cent.

Where appropriate, the usual affidavit certifying non-residence in the United Kingdom will also be required if payment is to be made without deduction of United Kingdom income tax e1 the basic rate.

The Hague, 16th May, 1986. THE BOARD OF MANAGEMENT

A. G. Stanley Holdings p.l.c.

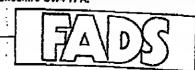
At the Annual General Meeting, the Chairman, Malcolm

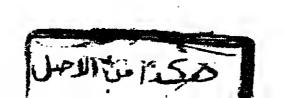
"After another successful year - in. which profits were increased by 51% — the group's expansion continues. We anticipate opening a further 22 FADS stores during 1986.

Our over-riding objective is to remain the country's premier specialist retailer of decorative products. We do not compete in the general DIY superstore market. That market is already over-crowded whilst we have outstanding opportunities for growth. i am confident that 1986 will show continuing progress. 37

Years to Dec Turnover £60m £56m Pre-tax profit £2.7m £1.8m Earnings per share 5.82p A copy of the report and accounts can be obtained from: The Secretary, Victoria Mills, Macclesfield Road, Holmes Chapel, Crewe, Cheshire CW4 7PA.

4.5





Aggregate Principal Amount

of the 4.5m shares being a little uncomfortably on the fiered, 1.1m are being sold by beer barrels and table to field the said.

Of the 4.5m shares being sold by offered, 1.1m are being sold by existing sharebolders and 2.4m the prospective p/e ratio is set to a modest discount to the prospective properties and a modest discount to the modest discount to the modest discount to the prospective properties and a modest discount to the modest discount to the modest discount to the modest discount to the modest discount discount to the modest discount di

Capital, which funded the buy-mechanical engineering sector out. The 980,000 shares being and should promise an equally

for the period from February 13, 1986 to June 16, 1986.

As of this date, the outstanding principal amounts are:

Series A Notes: USS 18 000 000,-

Zurich, May 15, 1986

Principal Paying Agent

### FT LAW REPORTS

### Press centre wins claim for faulty building works

INTERNATIONAL PRESS
CENTRE Y NORWICH UNION
Official Referee:
IPC could rely on clay Judge Esyr Lewis QC: May 7 1956

May 16 1986

Dengers of change

of Ireland has its tights is seasonable in controls of the interest of expense reflects the interest of the interest of

Until the expension of the control o

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SE STEEL STREET 

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PROVISIONS IN 22 agreement for a lease do not cease to have effect on grant of the to have effect on grant of the lease if they are collateral to it and if the agreement does not indicate an intention that they should merge; and accordingly, a covenant in the agreement to erect a building in good and workmantike ing in good and workmantike manner survives the grant of the lease if the lease makes no reference to erection of the building but only to its repair, and if there is no expressed intention in the agreement that the covenant should not survive.

Judge Esyr Lewis, QC. Official Referee, so held when giving judgment for the International Press Centre (IPC) in his damages claim against Norwich Union for breach if an agreement for an underlease. HIS HONOUR said that by a lease dated May 30 1969 the Goldsmiths Company demised land in Shoe Lane, London EC4, to Norwich Union for 994 years.

Nurwich Union covenanted to erect a new building on the land "in a good, substantial and workmanlike manner and with the best materials obtainable." The new building, which became the International Press Centre, was completed by the end of 1973.

Also on May 20 1860 MG and

Also on May 30 1969 IPC and Norwich Union made an agree-ment by which Norwich Union

underlease was granted for 993 years from March 25 1969. By clause 4(3) (a) of the underlease IPC covenanted to keep the premises "in good and substantial repair."

In August 1982 IPC noticed that mosaic tiling fixed to the exterior walls of the building was cracking. It had remedial works done at its own expense.

In the present action it claimed the cost of the remedial works as damages on the ground that Norwich Union was in breach of clause 2 of the agree-ment in failing to erect the new

into the underlease and ceased Lord Justice Scrutton said at

The principle of merger was described by Lord Justice James in Leggott v. Barratt 15 Ch 306, 209. He said: "If parties have made an executory contract which is to be carried out by a deed afterwards executed, the real completed contract... is to be found in the deed and you have no right whatsoever to look at the contract --except for the purpose of construing the deed."

That principle was restated with an important qualification by Lord Russell in Knight Sugar v Alberta Railway 1938 I All ER 266, 269. He said there might be provisions of the contract which survived after completion if the parties did not intend that they should be merged in the deed.

Mr. Codfrag. for Norwich

Mr Godfrey, for Norwich Union, argued that the clear intention of the parties was that clause 2 should cease to have effect after the underlease was executed, when responsibility for keeping the premises "in good and substantial repair" under clause 4(3)(a) felt upon IPC.

Mr Dyson, for IPC, argued that clause 2 required Norwich Union to build the new building "in a good, substantial and workmanlike manner" and to grant an underlease of a building ing so constructed. He said is asse could not have the effect that was a different obligation of ending Norwich Union's from the duty to keep in good repair which IPC assumed under clause 4 (3) (a) of the whether there were any express under clause

was a presumption that clause 2 underlease.

Survived the grant of the underlease unless by clear language the agreement provided to the contrary.

It was hard to see what value the clause 2 obligation was to IPC if it did not survive the grant. The provisions of the agreement could not be

Rnight Sugor, it was well-estab-lished that if a preliminary agreement were to be followed by a conveyance, thuse terms of the agreement which were not intended to be performed by the

dealing with a deed by which ment in failing to erect the new building "in a good, substantial and workmanlike manner and with the best materials."

The amount of the claim was contract. One must construct the agreed at £378,538. IPC had been preliminary contract, by itself, withheld rent from Norwich Union against the cost and Norwich Union counterclaimed the amount of the arrears. It was agreed that it IPC's claim failed, Norwich Union would be entitled to had been appeared in writing to sell the

to have any effect.

The question was whether IPC could rely on clause 2 of the agreement as entitling it to recover the cost of the remedial work from Norwich Union.

The question was whether tained a stipulation which was collateral to the conveyance and was therefore not merged on the execution of the deed of conveyance, which said at page 89: "The contract contained a stipulation which was collateral to the conveyance and was therefore not merged on the execution of the deed of conveyance, which said nothing about the stipulation."

about the stipulation." Those two cases were con-cerned with the sale of land, but the principle established was applicable to the present case where there was a pre-liminary agreement embodied in a deed followed by the grant of an underlease also by deed. By clause 2 of the agreement Norwich Union contracted to erect a building in a good, substantial and workmanlike substantial and workmanlike manner." The underlease said nothing about the quality of the building which IPC covenanted under clause 4 (3) (a) to keep in repair. There was no prima facuresson why the obligation undertaken in clause 2 of the

undertaken in clause 2 of the agreement should not survive the grant of the underlease. The stipulation in clause 2 was one "which was colinteral" was one which was conneral
to the provisions of the underlease. There was nothing incompatible between IPC's
repairing obligation underclause 4 (31 (al of the underlease and Norwich Union's
obligation under clause 2.
There was no provided to the

the provisions of rlause 2 by an action for damages though it was obliged under clause
4(3)(a) to carry out repairs
after the grant of the underlease.
The mere grant of the uoder-

ment by which Norwich Union undertook to grant an under clause 4 (3) (a) of the lease of the new building to IPC. By clause 2 it agreed to erect the new building "in accordance with the covenants . . . in the building lease."

On February 3 1977 the under clause 2 and that there was a presumption that clause 2 underlease.

The remaining question was which in the agreement making it clear that the parties intended that Norwich Union's obligation under clause 2 should not survive the grant of the underlease.

the agreement could not be construed as indicating a clear intention that clause 2 was not lished that it a preliminary agreement were to be followed by a conveyance, thuse terms of the agreement which were not intended to be performed by the deed of conveyance were not merged with it.

In Palmer v Johnson (1884)

13 QB 350, 357 Lord Justice Bowen said: "When one is tiled to recover the cost of the Bowen said: "When one is tiled to recover the cost of the Real State of the Rea

remedial works.

remedial works.
For IPC: John Dyson QC and Christopher Thomas (Herbert Oppenheimer Nathan & Vandyk).
For Norwich Union: Gerald Godfrey QC and Richard Fernyhough (Alam Wilson & Co).
By Rachel Davies Burrister Barrister

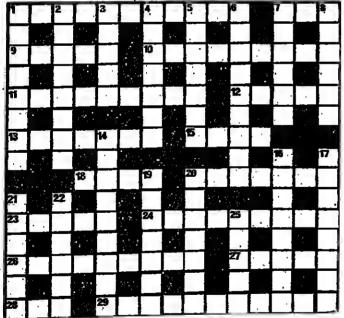
Norwich Union would be entitled to judgment on the counterclaim for £302,492.

Norwich Union admitted that the defects in the mosisc tiling were such as would constitute a breach of clause 2 of the agreement. However, it contended that clause 2 merged is where the defendant agreed in writing to sell the with full texts of judgments, are published in monthly it was held in the Court of Appeal that he was entitled to sue the builder after conveyance, for breach of the agreement. However, it contended that clause 2 merged in writing to sell the with full texts of judgments, are published in monthly the was entitled to sue the builder after conveyance, for breach of the agreement. However, it contended that clause 2 merged in writing to sell the with full texts of judgments, are published in monthly the work of land which with full texts of judgments, are published in monthly the work of land which with full texts of judgments, are published in monthly the work full texts of judgments, are published in the Court of the work full texts of judgments, are published in the Court of the work full texts of judgments, are published in the Court of the work full texts of judgments. Are published in the Court of the work full texts of judgments, are published in the Court of the work full texts of judgments, are published in the Court of the work full texts of judgments, are published in the Court of the work full texts of judgments, are published in the Court of the work full texts of judgments, are published in the Court of the work full texts of judgments, are published in the Court of the work full texts of judgments, are published in the Court of the work full texts of judgments, are published in the Court of the work full texts of judgments, are published in the Court of the work full texts of judgments, are published in the Court of the work full texts of judgments, are published in the Court of the work full texts of judgments, are published in the Court of the work full texts of judgments, are published in the Cour

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### F.T. CROSSWORD PUZZLE No. 6,023



- 1 Such youngsters always come to a fishy end (11)
- 7 Spot a girl (31 9 Workers who get moving?
- gagement (4)

  18 A little apace reserved for a 21 Money sets a model aright
- 23 Noted play (5)
- 24 Used to form a trap for the unwary six-footer (9)
- 26 Guides will take English money as well as German
- 27 NCO holding a rocky height
- 27 NCO interest (5)
  in assault (5)
  28 Desert animal (3)
  29 A go-ahead sportsmanl (11)
  DOWN
  DOWN
- 1 The iostructor's sister dealt with in writing (8)
- 2 Serving meo in the company backing others for personal
- protection (8)
  3 It accommodates people eager to join the Spanish (5)

5 Overdue, being in the red it's reported (7)
6 Clothing range with buckles 7 Contribute, and so get on in

4 Left unused craft without

- time (6) .
- 10 Outmoded transport industry
  (9)
  11 Don't forget about prayer
  (9)
  12 It should be included in the
- coarge (3)
  12 Silly asses will accept salt 17 The bour-glass? (3-5)
  13 Book store (7)
  16 (3-4) fisb (34)
  15 Outstanding trainee's en20 The names assumed as a lie's circulated (7)
- Maple tree (4)

  A Roundhead enemy's 22 A Greek character cutting fuel and food (6)

  appearance (7)

  25 Woman represented in stone
  - stark-naked (5) Solution to Puzzle No. 6,022



### THE BANKER **TOP 500**

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since 1970 in the August issue.

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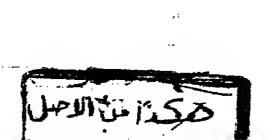
THE FINANCIAL TIMES is proposing to publish a Survey on

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### Lean times ahead for Argentine farmers

By Tim Coone in Buenos Aires

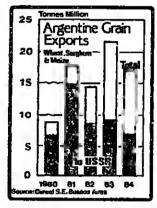
THE vast Argentine pampas, tretching out over thousands of square miles in the hinterlonds of Bucnos Aires and Bahio Blanca are expected to produce record harvests of maize and sunflower seeds

tlowever, neither this prospecl. nor the possibility of increased Soviet huying after Chernobyl occident, hos prevented deep gioom scttling over Argentine grain producers and traders.

Regarding the prospects for more Soviet purchases on the international grains market, Mr Marcelo Regunaga, head of economic studies for the Argentine National Grain Board said: "Practically all our wheat from this year'o harvest is already sold. Even if the Soviet Union were to increase its imports as a result of the Chernobyt disaster, we are not in a position to provide them until the next harvest at the eartieot."

However, there are already indications that wheat planting this year will he as much as 30 per cent down on 1985, which is turn were down 6 per cent on 1984. Low profit-ability for the pampas farmers has caused them to owilch to maize and oilseed production. or simply to leave their land

Soviet purchases from Argentina bave fallen sharply oince their peak in the early 1980s when over 80 per cenl. or some 15m lounes of wheat,



maize and sorgbum, were sold to the USSR. At the beginning of this year, a new five-year trade accord was signed with Moscow, hnt this calls for the supply of only 4.5m tonnes of maize, sorghum and soyaheans each year. Even with the new deal, grain sales to the Sovlet Union were practicolly nonexistent until early May when 700,000 tonnes were sold. "It was the first important onrchase by the Soviet Union this year," said Mr Regunaga. He pointed out that the five-year accord is not in fact a binding contract, and that there is no guarantee that Soviet purchases will indeed reach 4.5m tonnes this year. The Sovlet Union has itself been anxious for Argentina to improve the trade balance between the two countries which is heavily in Argentina'a favour. One teading trader on the

Bnenos Aires cereals market said "The most serious thing is that the Russians don't have any money. They are driving very hard bargains and buying at the cheapest they possibly can." He said that the subsidisation of EEC and US cereal production, and the prospect of major disposals of stocks onto the market this year, was under-mining Argentine cereal production, and wheat in particu-

Government plans to raise grain production to 60m tonnes per year hy the end of the decade from their present level of between 35m

and 40m per year "are Utoplan" be said. The expansion of grain and meat exports at the same time as sharply reducing imports was seen as one way ont of the country's simmer-ing foreign deht crisis several years back. Policies directed to those ends lay behind the expansion of land under cuttivation for cereal and otlseeds production to a record of 23m hectarea in 1982-83.

However, the gradual fall in area since then is expected to accelerate this year with put to the plough this season. A decline in the cattle herd hy some 2m head since 1984. means that o further 2m bectares of agricultural land will tle ldle this season due to falls in export demand oversupply nn the world market. Grains and beef traditionally com-

prise 70 per cent of Argen-tina's total exports. This depressing prospect prompted Prealdent Baul Alforsin to deciare foreibly in o state-of-the-nation apeech at the beginning of the mouth that "Argentina will not cede spate in the international markets." He promised that export taxes would gradually be reduced os a means of otimulating production. His scope for doing so is limited however. Almost 20 per cent of Government income is derived from export taxes and any serious cuts in Government spending will aggravate an already tense situation with the militant trade union movement.

### Copper industry issues costs warning to LIVIE

market if a proposed reorgani-sation results in excessive cost

In a statement released after meeting between representatives of copper producers and consumers and of the Exchange in Sorrento, Italy, the industry acknowledged that the LME, the world's lesding metals mar-ket, was under pressure from the British authorities to change its structure. But it said that "any additional cost resulting from a clearing house system should be kept to o minimum" so as no to deter t from using

"The industry was anxious that measures token to protect investors should not disrup the balance between industry and investment activity on the Ex-change," the statement said. "There was concern that a major shift in this balance could make it an unattroctive medium for either category of

conference, told a press conference yesterday. He promised to

make every effort to complete the negotiations before Moy 23,

to he applied in the new

"CHINA DOESN'T export sugar

on any significant scale, so people rarely notice how formid-

able the industry ia." This was the comment of one Hong Kong-

based counter-trader recently after visiting a handful of

Guangdong province's 163 sugar

Although China rank's sixth in the world sugar production league, with refined output last

year of 4.7m tonnes, inter-notional interest tends to focus on its imports rather than its

production. Annual imports are well down from the extra-ordinary figure of 2.56m tonnes recorded in 1982 but remain

well above the 1m tonnes mork.

Annual exports are fairly steady

areas of Hainan island and the Pearl River delta in the southern province of Guangdong

which accounts for over 40 per cent of national output—sugar is playing an important part in the country's development. Apart from sugar itself, it pro-

vides large quantities of industrial alcohol and yeast, sustains major industries manufacturing

paper, chipboard and cement, and is the driving force for an

increasingly sophisticated heavy

machine-building industry.

In Guangdong, where the 120-day cane barvesting season has just come to an end, the

refineries are beginning to sbift

into a lower gear. According to that demand from the popula-

their attention to the bagasse, of existing actual demand.

at around 140,000 tonnes. Yet inside China—and particularly in the sub-tropical

agreement

mechanism.

scheduled to close.

the conference is

'Some progress' at

SOME PROGRESS has been price adjustment mechanism in

made towards a new International Natural Rubher changes in production costs.

Agreement (Inra) but key issue still have to be solved. The main importing countries, issue a still have to be solved. The main importing countries, the European Community, the Mr Monospos Xuto, of Tballand, US and Japan, are happy with the chairman of the UN rubber the present mechanism and the present mechanism and insist that intervention prices.

Delegotes, however, detect a lack of urgency among consuming countries, resulting from the knowledge that the new Inra would not come into

force until October 1987. Some national Tin Agreement, Mr are already forecasting that another round of negotiations will be needed later this year, which prohibit repercussions Mr Xnto seknowledged that similar to those which hit

• The financing of the buffer like the tin agreement, stipu-

The current reference price, ber producers and consumers

rubber pact talks

THE INTERNATIONAL copper to the wishes of producers and industry has wareed the Lonconsumers by introducing a new don Metal Exchange that it high-grade copper contract, may be deterred from using the known as "grade A." This will Mr Brown said this was known as "grade A." This will fully replace the present higher-grade contract of the end of the contract of the end of the contract of the con next month.

The industry's worries slem from the Exchange's decision earlier this year lo switch from its traditional system of trading directly between principals to cleoring-house, under which all transactions would be passed through a central intermediary. This is bound to increase costs lo users of the Exchange, since it will involve greater overheods and tighter rules on morgin or deposit payments.

plication in whal is already proving to be a fraught series of consultations between the LME, its users and the UK regu-LME, its users and the UK regulatory outhorities—principally

Welber to retsin the existthe Securities and Investments ing system of contract settle-Board, the watchdog being set up under legislation currently before Parliament.

Copper is by far the most Sorrento meeting. Mr Michael important contract on the LME, Brown, the Exchange's chief and the industry once again executive, said the LME was stressed its support for the experiencing great difficulty in • Whether to broaden member-Exchange as "the principal obtaining approval for its ship of the clearing house to inworld copper price indicator — current daily troding sys(em, clude non-ring deoling comparticularly since il has bowed under which trading takes place panies.

> insist that intervention prices must follow market trends.

> Some importers, nolahly the EEC, want the new Inra to

remove any possibility of com-mercial borrowing for the financing of the huffer stock,

not make forward purchases, for which he may not have the

The rubber agreement, un-

Guangdong, China's sugar bowl

ture, and on the production of

The province refined about 2m tonnes of sugar over the season just ended—about 8 per cent up on the 1984-85 season.

Two-thirds of this has been sold

to the state, according to Mr Li. while the remaining 700.000 tonnes will he used in Guang-

dong itsell-200,000 tonnes for industry and the rest for con-

fectionery and related domestic uses. Individual consumption

of sugar by China's 1bn popula-

tion remains among the lowest

in the world-about 5 kilos per

capita last year, compared with 1t kilos in the UK. Officials in Guangzhou (Canton) the provincial capital

Mr Li Hangui, deputy manager tion at large for sugar and conof the province's Sugar and fectionery products could grow vides no information on how 
Paper Industry Corporation, sharply. According to officials 
the 70,000 workers employed in peking, sugar output last 
the sugar mills are turning year met less than 80 per cent 
for re-export.

the residue that is left after officials in Guangdong available and Peking committed cane is crushed, that has huilt nevertheless plan no significant to a policy of eocouraging up over the hectic harvesting increases in output and production in 1986 is expected to "tolling deals can be expected to "tolling deals can be expected to the state of the state

paper and chipboard manufac- remain at last year's level. to grow in future.

MONGOLIA"

CHINA

BY DAVID DODWELL IN HONG KONG

way to run our business." But the SIB has made clear from the outset that this would not provide the nccessary openness of pricing to meet its require-

"I should soy that we do have a problem here with the SIB, who will be looking for price transpareocy and timed trodes for inter-office dealing," he said. Other areas still open for

dcposit payments.

The industry's appeal for more say in the Exchsoge's retain the present system of sffoirs represents s further comindividus ("prompt" or delivery dates, with most parficipants favouring its retention for at least the first three for

meot onthe prompt date or to go over to a daily settlement system. Again the balance of opinion favours no change, although some speculators ond professional traders prefer immediote settlement.

A 1.2m toznes o year hauxite refinery in southern Jamaica, closed by its North American owners last August, is likely to he reopened loter this year but will produce of just over a half of its rated capacity, writes Cannte James in Kingston. Mr Edward Seoga, Jamaica'a

Mr Edward Seoga, Jamaica'a Prime Minister, has said he will have "critical" meetings this weekend, "the result of which could be an additional 700,000 tonnes of alumina for export."

Although Mr Seaga did not name the refinery involved, industry sources say it is the plant owned by Aumina Part-

industry sources say it is the plant owned by "mina Partners of Jomaica, a joint venture between Reynolds Metals and Kaiser Aluminum, hoth of the US.

Mr Seaga olso sald his Government was to get a 51 per cent stake in the Aluminum Company of America (Calcoa's) 800 000 10nnes a year refinery

800,000 tonnes a year refinery in central Jamalca, under ao agreement to be signed later this month. Alcoa closed the refinery in February last year. hut it was leased and reopened hut it was leased and reopened in August by the state-owned Clarendon Alumina Production. | KUALA LUMPUR TIN MARKET: Close 14.09 (12.10) neggit per kg. Oown · Falconbridge soid produc

Sudbury operations last year produced 69.2m lbs of nickel. 59.1m lbs of copper and 2.2m lhs of cobalt, a company official

which determines the levels at are not starting from scratch to which the Inra buffer stock negotiate a new commodity manager may, or is ohliged to, agreement. They were "tidy-● COMINCO said it will close its Trail, British Columbia Metals refinery from July 27 to The producers, among which Malaysia, Indonesia and Thailand are the biggest, wont the second Inro, he said.

### Jamaica may reopen bauxite refinery

the three-week schedule of the present conference was a constraint hut said delegates had now come to grips with the key outstanding Issues, which be defined as:

The price level and structure

tion was halted yesterdoy at its ZINC Sudbury, Ontario, operations ofter about 350 office, clerical The financing of the buffer stock and the borrowing powers attached to it.

The exporting countries' demand, voiced last year, for a reference price of 265 its financial contributions, allowed producers a kilo remains on the table, although producers bave indicated that the price is outcome of the present talks, negotiable.

The current reference price, is financial contributions, retains full liability for the loans contracted on its behalf.

To buttress optimism in the outcome of the present talks, Mr Xuto emphasised that rubber producers and consumers strike and mine and mill workers refused to cross picket lines, reports Reuter from

cloce: 468-9.

September 7 to reduce over supply of Zinc in the market The closure will affect produc-tion of lead, zinc and silver.

Expansion io instead targeted

for cash crops, dairy farming and fruits that are in heovy

(£200ml that has been spend on the sugar industry in

Guangdong province over the past five seasons has been

devoted to modernising re-fineries and increasing refinery

capacity. While the province still has some old refinerics with a capacity of no more than 100 tonnes a doy, it has recently completed modero

6,000-tonne a day facilities at

Meishan in Panyu county, and in Zhongshon near to the Zhuhai special economic zone.

It has four refineries copahle of producing a 000 tonnes a day. As smoll milis ore phased out, so modero, more efficient

equipment is being installed.

To keep the most modero

facilities in operation through-

out the low season, the Sugar

and Paper Industry Corporation has recently begun refining im-

ported sugar — often under counter-trade arrangements described by barter trade speciolists as "tolling."

Under these "tolling " deals,

countries wanting to huy goods from Chinz are able to pay for

them by supplying Chins with an equivalent amount of raw

sugar. This is then refined and

re-exported by China. Last year

ahout 1m tonnes of imported

With spare capacity still

The lion's share of the Ylbn

export demand.

### LONDON MARKETS

DOLLAR WEAKNESS led to a general decline in London Metal Exchange values yesterday. Most falls were fairly modest. however, the biggest being in aluminium, which despite rallying from morning lows, ended the day £7.75 down in the cash position at £755.75 o tonne. The cash premium over the three mouths position, reflecting concern about the ovailability of nearby sup-plies in the event of US metal workers going on strike, narrowed to £4.50 a tonne from £6.75. The only price rise on the LME was in the nickel market, where news of the strike at Falconbridge's Sudbury. Ontario, plant helped to push the cash price £17.50 higher at £2,665 a

### ALUMINIUM

LME prices supplied hy
Amolgamated Metal Trading.

	E pur tonns		
Cash 3 months	755-6.5 751-1.5	7,70 0,0	767 755 752 745
(784.5-5 5). 2 5), settle closo: 740	mcnt 755 (	765.5).	45-7 (752-

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### COPPER

llaher orade	Uno!fic'l	+01	Highriow
ash months*	927.5-8.5 258-8.5.	5.25 4	835 930 941 937
Official clos 931-1.5), 1 940-1), sei mai Keib clo	thrae m Ligment	: Cae onthe 930.5	940-40.5
zihodes			<del></del>

Official closing (am): Cash 910-2 (916-8), Thise months 928-8 (928-30), settlement 912 (918), Tunnover: 20,560 Jonneo, US Producer prices 66-71 cents por lb.

### LEAD

h cloc	official o (p.m., £ per to	_	High:low	Selectionnes	e: 2
, 24 24			242.0-242 242.247	85.64 Moy t	(85.
61, thr	ee Mont	he 247.	ash 242-3 7 5 (249.5-	COC	0A

NICKEL

	£ per tonne	
ash months	2660-70 +17.5 - 2738-80 +17 :2730/2788	
2645-56], 2713-5], : erb <b>c</b> loss	closing (om): Cash 2650-5 three months 2714-5 settlement 2655 (2655]. Final : 2730-35. : 1.194 tonnes.	

orade (	L per tor	+or	High/low
Cash :	455,57		456
5 months :	467.5-8		468,467

Official closing (em): Cesh 456-6.(454.5-5), three months 467-8 (466-7) settlement 456.5 (455). Final Kart Tumover 7,950 tonnes. US Prime Wostein: 33.50.35.75 cents per lb.

### GOLD

Gold Ioil just St<sub>2</sub> en ounce from Wednesdey's closs in the London bullion market yoeterdey to linish at 5342-3422. Thu metol opened et 53411-342 which proved to be the day'e low end touched a high of 53424-3434. However trading was rather quiet end restricted to a narrow range in the absence of any fresh news.

### GOLD BULLION (fine outer) May 15



### SILVER

Silver was fixed 2.3p an ounce lower for soot dollvory in the London bullion market yesterdey at 328.35p. US cent oquivolente of the fixing levels warm: Soot Sofe, down 2.36c; three-menth 514.46c, down 2.55c; aix-month 522.75c, down 2.35c; and 12-month 540.05c, down 2.55c. The metal opened et 3264-323bp (502-504c).

SILVER Buillen + or LM.E. + or troy oz Price Unotfic'i Spot........ \$28,350 | -2.59 | 580,0p | -0.0 S months | 336,40p | -2,45 | 334,25p | 4,25 O menths | 343,90p | -2,45 | 334,25p | 4,25 12 menths | 558,75p | -8,40 |

### LME—Turnovor: 39 lots of 10,000 ez. Three months high/low 334.5p, final keib 334-8p. MEAT

Plameet office relified alronsly on (rash trade and speculetive buying caused again by stionger physicals, records Eastern Capital CCST. FIGMEAT
Y'days + or Y'days + or Close + or

Pigmeon sales: 28 (42) lots of 50 parcases, 3,250 kg. 8eef sales: 4 (15) lots of 20 sides. MEAT COMMISSION—Average bi-oloch pricos et repicsontsivo merkets. GB—Conts 103.340 per kg lw (+2.50). G2—Sheop 267.44p per kg lw (+2.50). GB—Pigs 79.59p per kg lw (+2.32).

### US MARKETS

INDICES

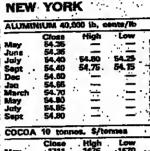
REUTERS

METALS

CONTINUED CONFUSION over future US dollar policy affected the precious metals May 16 May 14 M'th ago Year ago and eil markets, reports 1763,9 1774,5 | 1798,4 1862,6 Heineld Commodities. Support levels held well with mainly local activity on both (Base: September 15 1231 - 107) gold and silver pits. Copper traded slightly lower with the trade lending support. 2pot 128,65 128,41 — 118,72 Fut. 122,20 122,57, — 122,78 Oil prices remained tin-changed in higher due to firm barge markets but lack of follow-through resulted in featurless trading. Sugar was MAIN PRICE CHANGES 

quietly steady most of the session with light support due to inquiries from China and India on the London physical market and held main support levels well. Thin conditions prevailed in the coffee market with prices initially drifting lower again partly due to lack of interest and news that Brazilian weather remains mild, but fresh trade buying pushed prices higher towards the close. Light commercial interest held cocoa unchanged in 0 narrow trading

interest held cocoa unchanged in o narrow trading range. Losses in the wheat market affected also maize and soya futures, with favourable weather reported in the US grain and soya regions. Rumours that no additional grain would be required by the USSR this year also depressed markets, but good buying of July soya beans halted further price falls.

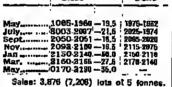


Tin | September | 15 |

† Unquoted. † Per 75-lb flash, c Cents per pound. w June. x May-June. x Joly, a June-July. \* Cotton Butdook.

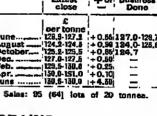
COGOA	E per tonne	- :	DONE
<b>4</b> V	1870-1276	+ 10.6	1275-1259
IN	. 1290 1891	+ 19.5	1292 1276
Pt	1214-1515	+88.0	1316-1297
ec.	1349-1351 1380-1382	+20.5	135 L-1358
4V	1394-1402	- 10.5	1291-1282
ly	1413-1419	+ 18.0	t411-1405
-			

### COFFEE



Sales: 3,876 (7,208) lots of 5 fonnes. 1CB indicator prices (US cents par ound) for May 14: Comp. doity 1979 78 95 (175.49); 15-day everage 188.01

### SOYABEAN MEAL



BARLEY

OIL

### GRAINS

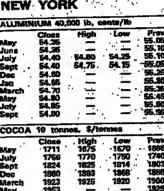
WILL		1		TALDE
Mnth	ciose Ciose	+ or	Yesterda: close	1+0
Sept Nov	118.35 99.90 100.00 105.05	-7.95 -8.45 -5.60	98.50 101.50 104.70	-0.75 -8.50 -1.56
presum ehpper trade er county Roddick TARLE 1 LONDO northern June 12 transshi soft red EEC Mer 118.00-11 Dac 100 111.50 t yellow/f Mey 12 105.50. selter. HeGA Feed ba 114.20. 114.20. 114.20.	to but be support, and ecocum hedge e table mbl on	riey fi Ne letive ollins, le tab NS—V No. y 117. sel Collins ollins ries Collins letive letive one 127 one 127 one 121 one 121 one 110.	red on remed on w crops buying a ropers let	Iringe tound tound tound tound tound tound tound to tound to tound to tound to tound

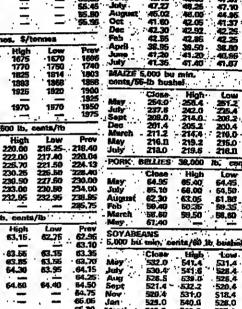
### SUGAR

No. 0 Con- tract	Yesterday close	Previous ciose	Business done
		nne F.O.B.	
2e€	175,2-174,0 180,9-183,2	194.6-180.2	178.0-174.0 185.4-176.8
ART	165,0-184.6 155,6-159,0 192,4-192.0	188.0-188.2	192.0-188.0
٠	186,8-197,0 200,0-202,6	194,0-198,5,	
PARIS	—(FFr per	tonnel:	Aug 1454-
	)ct 1488-14 1536-1645, 15		

1520-1645.
LONDON DAILY PRICE—Rew sugsr \$187.50 (£122.00), down \$7.50 (down £5.00) e tonne for June-July, delivery, white suger \$203.50, down \$5.00. Salos: \$,217 (5,297) lots of 50 Salos: S,277 (5,237) tota of 50 tonnee.
Teto & Lylu delivery pilos for gmulated basis sugar was £225.00 (2231.50) s tonne for export.
International Sugar Agreement.—(US cente per peund fob and stowed Calibbean parts]. Prices for May 14: 0eily pncs 7.59 (0.07): 15-dey evenep 3.30 (S.32).
No. 0 cri controct—August 187.0-93.0: Oct 180 0.8.0. 0sies: 1 jou of 50

### NEW YORK





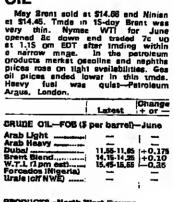
COTTON 50,000 lb, cents/lb CRUDE OIL (LIGHT) 42,000 US gallons, S/berrals

High Low 15.70 10.38 15.75 14.90 14.74 14.20 14.20 14.25 14.10 14.90 14.10 13.93 14.00 13.95 STYABEAN OIL 80,000 lb, conts/fb

17.73 18.36 17.86 18.49 17.91 18.55 17.95 18.45 18.26 18.76 18.30 18.73 18.50 18.95 WHEAT 5,000 bu min, cents/60-lb bushel

Close High Low 333.6 343.0 332.0 270.0 285.0 288.4 272.0 285.4 270.4 281.0 294.2 278.4 281.0 294.0 279.4 272.0 283.0 271.0 369.7 363.3 367.2 371.0

### SPOT PRICES—Chicago loose land 11.00 (same) cente per pound. Handy and Harman enver bullion 503.5 376.1 378.1 378.0 and Herman elver bullion 380.0 377.0 379.3 (510.0) cents pet troy ounce.



14.17 14.20 14.10 13.85 13.80

GOLD 100 tray og, \$/tray az

High Low 341.2 341.2 343.5 342.5

**GAS OIL FUTURES** 

### Month Closs - Business

### Tumover: 1,509 (2,965) lots of 100 **POTATOES**

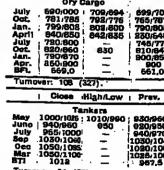
### The market opened steady, encour-aged by evemight min. But the rise which was fuelled by step-lose buying. was not eustained, reports Coley and

£ per tonne Nov..... 88.00 88.00 89.00-88.00 Feb..... 97.00 97.00 — 116.00 115.70 118.20-116,40 Apr..... 120.30 125.60 127.00 Nov.... 87.80

Oslas: 507 lots of 40 mnnos. Earlies—July 108.50, +3.50: Aug 85.00, +3.00: Sept suspended. Sales: 0 lots of 10 tonnes.

### FREIGHT FUTURES

A lack of confirmation of recent rumourod physical business led to dry cargo futures assino. Despite the slightly lower levels, underlying sentiment mmelned steady. Tonker lutures made lurther gaino openet u bookground of lurther fixtures in the primal loading sress and a lack of sellers, reperts Clarkson Wolfe. | Close | High/Low | Prev.



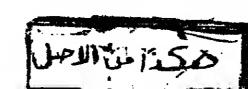
### Turnover: 34 (62). RUBBER

PHYSICALS—The London mainut cooned unchanged, found very little infinite throughout the day end cloged neglected, records Lewis and Pech Closing offices (buyars): 3pet 56.00p (somn): Juns 53.75p (54.00p): July 53.50p (58.75p). The Kuela Lumpur fob prico (Melaysian cants per kg): RSS No. 1 was 1875 (198.0) and SMR 20.183.5 (183.0].

FUTURES—Index 532, June 528-534, July-Sopt 528-534, Oct-flec 533-537, Jon.Merch 560-566, April-June 557-580, July-Sept 560-566. Ssles: 37.

Poultry company to add 250 jobs ONE OF Hereford's biggest employers is to take on 250 jobs within the next few

Sun Valley Poultry, which employs 2,600, needs the extra staff for a £1½m The company says more jobs could arise from further expansion of its poultry-based convenience and health food



of Guangdong, acknowledge cane sugar was processed that demand from the popula- by mill around the Pearl River

ing tended to feed oo itself, as

20-YEAR 12% NOTIONAL OILT ESO,008 32nds of 100%

ESO,000 32nds of 100%.

Clers High Low Prev
Juna 124-26 125-20 124-24 125-23
8 ppt 126-00 125-22 124-31 125-28
Dec 124-37 124-37 124-37 125-23
March 124-27 124-27 124-27 125-23
Fat. Volume 11,040 | 10,958 |
Previous day's open int. 13,262 (12,750)
Basis quoto fclean cash price of 13%
Treasury 2004/08 less oquivalent price of near future contract) ---4 to 4 (32nds).
10% NOTIONAL SHORT CfLT
E180.000 64th of 100%

Provious day's open int. 18,985 (18,938)

FT-SE 100 INDEX £26 per full index point

pects for lower UK bank base rates, and the very large rights issue announced by National Westminster Bank on Wedner-

After touching a peak of 125-20 the June contract came under steady selling pressure, retreet-ing to 124-24, and closing at 124-26, against 125-23 on Wednesday.

Three-month storling deposit futures suffered from similar

LIFFE US TREASURY BOND FUTURES OPTIONS

June 93,04 83,10 83,02 83,17 Sept 93,04 83,13 93,01 83,22 Dec 82,94 93,02 92,92 93,14 March 92,73 92,87 92,72 82,91 June 92,47 82,57 92,47 92,95 Sept 92,25 92,25 92,25 92,43 Dec 82,02 92,02 92,02 82,20 Est. Volume 8,874 [4,168] Provious day's open int. 21,403 (21,020)

June 57.10 98-03 97-04 98-1 Sept 96-20 97-09 98-20 97-05 Sept 96-20 97-09 98-20 97-0 Dec 95-28 56-28 96-28 96-3 Ext. Volume 7,290 (7,596) Previous dzy's epen int. 8,664 (8,433)

**CURRENCY FUTURES** 

LIFFE-STERLING E25,000 \$ per £

POUND-S (FOREIGN EXCHANGE

IMM-STERLING Se per £

LONDON 88 E/S OPTIONS E12.500 (cents per E1) Striks Calle—Last

### CURRENCIES, MONEY and CAPITAL MARKETS

### FOREIGN EXCHANGES

### Dollar up despite uncertainty

The dollar was firmer but remained within its recent trading rangen yasterday as traders tried to digest the recent spate of comments made by leading West Germao. US and Japanese officials. The current mood was captured by Karl Otto Poehl. Bundesbank prosident.

Forward pramiums and

mood was captured by Karl Otto
Poehl, Bundesbank prosident,
when he indisated that aithough
leading nations were united on
co-ordinated action to influence
exchango rates, there was still a
considerable difference of
ppinion as to where the value
of each currency should tle.

The Bank of Japan opened
yesterday's chess game by spending up to \$500m supporting the
US dollar and aithough the
effect was limited in Tokyn, the
dollar recovered to finish largely
nochanged in London. A surprise
0.2 per cent rise in US industrial
output was noted but not acted
upoo since the market seems to upoo since the market seems to require a strong incentive to break out of recent trading

ranges.

However, the continued retetoric cannot ultimately detract from the fundamentals governing the dollar's performance and unless there is some progress towards reducing the US budget deficit then the dollar's outlook can only remain bleak.

Despito the longer torm implications, the dollar ficished at its best level of the day, closing at DM 2.1985 up from DM 2.1850 and Y163.50 compared with Y163.35. Elsswhere it rose to SFr 1.8280 from SFr 1.8175 and FFr 7.01 from FFr 6.9675.

On Bank of England figures, the dollar's exchange rain index fell to 113.6 from 113.7.

Clays 200

n in Salah

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POUND SPOT-FORWARD AGAINST POUND

1.5335-1.5430 1.5345-1.5355 0.45-0.42c pm 3.40 1.23-1.19on 2.1070-2.1218 2.1114-2.1140 0.55-0.30c pm 3.40 1.23-1.19on 7.13-0.20c dis 0.17-0.20c dis 0.17-0.20c dis 0.17-0.20c dis 1.1040-1.1120 1.1085-1.1095 par-pere dis 1.1040-1.1120 1.1085-1.1095 par-pere dis 2.23.12-227.45 2.23.12-226.24 100-250c dis 1.23-1.2407.23.12-23.13-2.2174, 2312-2-2313-5-6-5.8 in dis 2.2072-23174, 2312-2313-5-6-5.8 in dis 1.44-1.1.52 11.462-11.472, 4-49-ore dis 1.462-11.52 11.462-11.472, 4-49-ore dis 1.462-11.52 11.462-11.472, 4-59-ore dis 2.503-251, 23.50-2.31 2.502-2.31 2.502-2.31 2.502-2.31 2.502-2.31 2.502-2.31 2.502-2.31 2.502-2.31 2.502-2.31 2.502-2.31 2.502-2.31 2.502-2.31 2.502-2.31 2.502-2.35 2.34 2.79-2.31 2.502-2.35 2.352-2.34 2.502-2.352-2.34 2.502-2.352 2.352-2.34 2.502-2.352 2.352-2.34 2.502-2.352-2.34 2.502-2.352 2.352-2.34 2.502-2.352 2.352-2.34 2.502-2.352 2.352-2.34 2.502-2.352 2.352-2.34 2.502-2.352 2.352-2.34 2.502-2.352 2.352-2.34 2.502-2.352 2.352-2.34 2.502-2.352 2.352-2.34 2.502-2.352 2.352-2.34 2.502-2.352 2.352-2.34 2.502-2.352 2.352-2.34 2.502-2.352 2.352-2.34 2.502-2.352 2.352-2.34 2.502-2.352 2.352-2.34 2.502-2.352 2.352-2.34 2.502-2.352 2.352-2.34 2.502-2.352 2.352-2.34 2.352-2.352 2.352-2.34 2.352-2.352 2.352-2.34 2.352-2.352-2.34 2.352-2.352-2.34 2.352-2.352-2.34 2.352-2.352-2.34 2.352-2.352-2.34 2.352-2.352-2.34 2.352-2.352-2.34 2.352-2.352-2.34 2.352-2.352-2.34 2.352-2.352-2.34 2.352-2.352-2.34 2.352-2.352-2.34 2.352-2.352-2.34 2.352-2.352-2.34 2.352-2.352-2.34 2.352-2.352-2.34 2.352-2.352-2.34 2.352-2.352-2.34 2.352-2.352-2.352-2.34 2.352-2.352-2.352-2.34 2.352-2.352-2.352-2.34 2.352-2.352-2

DOLLAR SPOT-FORWARD AGAINST DOLLAR

O DM YEN FFT. | SFL | HFL | LITE | GS | BFT.

1,535 3,575 251.3 10.76 2.805 0.808 2513 R.113 68.75 1. 2.190 163.0 7.010 1.828 2.470 1507. 1.570 44.80

DM 0.396 0.455 1, 74.44 0.188 0.351 1.127 565.0 0.526 90.37 YEN 5.980 6.109, 10.45 1000. 49.85 11.19 18.14 9208 8.406 973.8 0.929 1.427 3.157 233.5 10. 2.607 0.536 2180, 1.963 63.99 0.067 0.547 1.203 89.57 3.536 1. 1.357 224.5 0.703 24.51

8-614 8-614 414-416 759-618 678-7

Long-term Eurodollers: two years \$2.82 per cent; three years 72.5 per cent tour years 5.52 per cent; five years 54.82 per cent nominal. Short-term retes are tall for US Dollare and Japanesa Yon; others, two days' notice.

Yen per 1,000; French Fr per 10; Lire per 1,000; Beig Fr per 100.

**EURO-CURRENCY INTEREST RATES** 

7 Days ... I

0.863 D.403 0.867 85.05 2.888 0.757 1 607.9 0.555 10.07 0.438 0.664 1.458 108.5 4.668 1.315 1.646 1000. 0.918 29.78 C 9 0,473 0.787 1.098 116.9 0,093 1.328 1.801 1095 1. 03.54 BFr. 1.455 2.253 4.909 565.0 10.65 4.080 5.535 5364 5.073 100,

Latest | Prev, glose Forward premiums and disco

The Australian dollar showed somn consolidation after Wed-besday's sharp fall, with the US dollar closing et A\$1.39575 compared with A\$1.4055.

STERLING — Trading range against the dollar in 1986 in 1.5555 to 1.2770. April average 1.4988. Exchange rate index rose to 76.1 from 76.0 on Wednesday. The 61x months ago figure was 70.5

Starling was slightly firmer ovorall and seemed little affected by a fall in mooufacturing output and industrial output of 0.1 per cent. The pound closed of \$1.5350 from \$1.5395 but rose against the D-mark to DM 3.3750 from DM 3.3650 and SFr 2.8050 from SFr 2.7975. It was also higher against the French franc at FFr 10.76 from FFr 10.7275 but eased against the yen to Y251.25 from Y251.50.

3.40 1.23-1.19pm 3.57 1.30-0.50pm -1.81 0.57-0.65pm -1.07 0.70-0.65pm -1.07 9-13dis -0.37 %-13dis 2.49 1.23-1.24pm

bank president, Karl Otto Poehl, which were understood to imply a dollar floor of DM 2.15. However the market has been fairly free with its interpretations just recently and there is little to suggest that the current feeling of depressioe surrounding the state of the US economy is likely to change. But the dollar rose to DM 2.19 of the close, obout a pfennig above the day's low but still down from Wednesday's close of DM 2.1930. Earlier in the day the dollar had been fixed at DM 2.1997. compared with DM 2.1933 previously. Elsewhere the French franc slipped below its upper intervention level against the D-mark, following a cut in French Interest rates. It was still firmly placed of the top of the EMS however.

JAPANESE YEN—Trading range against the dollar in 1986 is 202.70 to 161.05. April sverage 173.05. Exchange rate index 205.8 against 178.7 six months ago... Renewed intervention by the

205.8 against 178.7 six months ago.

Renewed intervention by the Bank of Japan foliod to halt a further rise by the yen against the dollar in Tokyo yesterday. The central bank was believed to have bought up to \$500m, but this did not alter market sentiment which still dictated a bearish outlook for the dollar. Various officials made further statements which were oot always novious to their meaning but the market took the visw that there was still room for a dollar declino. The US unit elosed at Y162.70 compared with Y163.50 to New York and Y164.00 in Tokyo on Wednesday.

### **CURRENCY MOVEMENTS**

May 15		Change's
Sterling	85,6 86.0 138.0 156.1 186.1	
Morono Guaranty	changes	everage

1980-1982w100, Bank of Englan CURRENCY RATES

Sterling	May 15	Bank rate %	Special Drawing Rights	European Corrency Unit
Oreek Droh 0012 188,131 134,889	DS B Canadian B, Austria Sch Bolgian Fr. Deniah Kr D'mark Prench Fr Lira Yen Norway Kr. Span'h Pta Swedish Kr. Swedish Kr. Oreek Droth	8.07 4 812 7 319 412 912 15 319 8	1,18072 18,1630 52,7959 9,54907 2,58542 8,01461 8,24801 N/A 191,749 8,81762 N/A 8,32585 2,14832 152,131	0.061678 1.54880 15,1163 45,8938 7,94938 2,14966 2,42883 6.85583 160,292 7,33338 5,98142 12,78982 134,819

May 15	· £	0	
Aus alla Brazil Finland Dreece H'kong fran Kuwait Lux'burg	180,00 0,4446-0,4465 68,70-68,80 0,9796-3,9900	1,3950-1,3265 13,77-13,84 4,9865-4,9895 135,82-139,87 7,8100-7,8120 0,28820-0,28850 44,70-44,85 2,5650-8,5900	
Saudi Ar. Bin'pore. 8 Al. (Cm)	2,7435-2,7635 0,8175-5,8245 3,4056-8,4109 3,3855-3,8590 8,0890-5,8666 5,9510-5,6685	5.6500-6.6510 2.2115-2.2136 2.1600-2.1645 3.3175-8.4330	

May 15 Previous

90		MIN'S TO	41041040
4 95 87	8.30 am	76.2 76.1	76.2 76.2
	10.00 am	76.2	76.1
50 50 50 10 56	11.00 am	76.2	76.1
82	Noon	76.2	76.2
10	1.00 pm	76.2	76.1
45	2.00 pm	76.2	76.1
5D	3.00 pm		76.0
-	4.00 DE	76.1	76.0

lending rate 101 per cent since April 21

March 91.70 91.73 91.70 91.79

EMS EUROPEAN CURRENCY UNIT RATES

	contraf	amounts against Ecu May 15	cantral	adjusted for divergence	Divergence fimit %
Beiglan Franc Osnish Krone Derman D-rasik Franch Franc Dutch Oulidar Irish Punt Italian Lirs Changes week et	43.8761 7.91896 2.13834 0.96280 2.40835 0.772956 1496.21 are for E	1474.82	+0.50 +0.38 +0.53 1.64 +0.56 0.77 1.43 positive chulsted by	+9.55 +0.43 +0.58 -1.49 +0.61 -0.72 -1.43 ange denotes Financial Tima	±1.5385 ±1.6408 ±1.1205 ±1.3701 ±1.5665 ±4.0785

### MONEY MARKETS

778-818 778-818 734-6 8-512 478-418 418-418 778-858 8-512 7-718 7-716

EXCHANGE CROSS RATES

### London rates slightly firmer

774-814 734-814 414-434 712-5 618-618

750-776 750-775 710-8 714-756 411-454 710-6 710-8 710-6 613-616 070-7

Interest rates had a slightly firmer tono on the London money market yesterday, as dealers continued to debate the most likely timing for any reduction in clearing bank base rates. Three-month interbank rose to 104-104 per cent.

In the afternoon another \$306m to 420 per cent from 4.30 per cent likely timing for any reduction in clearing bank base rates. Three-month interbank rose to 104-104 per cent from 104-104 per cent. Three-month interbank rose to 10½-10½ per cent from 10½-10½ per cent. The market was uncertain about interest rate trends, but the discount houses showed rather more willingness to sell bills, to relieve yesterday's shortage, because of the relastively high cost of day-to-day money. The overnight rate was around 11½-11½ per cent for most around 11½-11½ per cent. To some peak of 12 per cent. To some extent the Bank of England's forecast a money market shortage of under the shortage under the shortage under the shortage under the

The Bank of England forecast a money market shortage of 2550m, and provided total assistance of 2550m. The initial forecast of 2550m was revised to 2500m at 10 am, but back to 2550m in the afternoon. £550m in the afternoon. Before lunch the authorities Three year

Before lunch the authorities
bought £343m bills outright, by
bought £342m bank bills in hand
way of £42m bank bills in hand
1 at 10% per cent; £185m bank
bills in band 2 at 10% per cent;

50 year

MONEY RATES

Ovr-nig't Month Months Months Months In'wtin 714 715 715 715 715 715 715 775 7719 7.719 7.719 7.719 7.719 7.715 Frankfurt Paris Zurich Amsterdam

6iz months U2 dollars The fixing rates are the arithmetic mests, rounded to the neamat ensistments, of the bid and offered rates for \$10m quoted by the market to

TOKPON WOL						
May 10	Over night	7 days	Month	Three Months	Obx Months	One Year
nterbank	0-18 	10-10 <sup>1</sup> 5 10 <sup>1</sup> 6 10 <sup>5</sup> 9-11 <sup>1</sup> 4	10 tg 10 tg 10 tg 10 tg 10 tg 10 tg 10 tg 10 tg 10 tg 10 tg	10-10   s 10   g 10   g 93, 10   s 10   4 07s	914 978 1014 — 10	04.0% 93.0% 0% 10 — —
lank Bills (Buy) The Trade Bills (Buy) Collar CDs CBR Linked Depos CCU Depos	=======================================	=	10년 10년 6,75-6,80 6년 6년 7월 7년	07 <sub>8</sub> 101 <sub>2</sub> 6.75-6,80 63 <sub>8</sub> -05 <sub>8</sub> 7 ½-7 ½	0년 10년 6,70 0.80 6년 6년 7일 7일	6.95-7.00 0 3 6 4 7 1 7 7 4

Treasury Bill (sell): one-month 10% per cant: three-month 9% per cont. Bank 2:ills (cell): one-month 10% per cant: three-month 9% per cant. Treasury-Bills: Average tender rate at discount 9.973 per cent. EGGP Fixed Finance Ocheme IV reference date April 2 to May 9 (Inclusive) 10.527 per cent. Local authority and finance Houses 829th days' notice, others sovon eays' Oxed. Finance Houses Base Rais 11½ per cent from May 1 1996. Sank 0 specit Rate for sums at seven days' notice 5½-5 per cent. Cartilicates of Tax Depasita (Serice 6): Osposit F100,000 and over hald under one month 10% per cent; three-cis month 10 per cent; sixhits months 9% per cent. Inder £100,000 9% per cent from May 14. Osposits hold under Baries 5 9% per cent. Osposits withdrawn for caso 9 per cent.

### FINANCIAL FUTURES

### **Prices fall**

Interest rate contracts weakened on the London International Financial Future2 Exchange yesterdey. US Treasury bonds for June delivery opened lower at 97-19, and foll to 97-14.

ing tended to feed of itself, as it triggered technical resistance points, before news of a riso of 0.2 in April US industrial production, pushed June bonds down in a low of 87-04, before closing at 97-10, compared with 98-12 previously. bonds for June delivery opened lower at 97-19, and foll to 97-14, where a large US commission bouse entered the morket as a buyer. The contract rose to a pask of 98-03. In cervous trading, lacking new factors. But the buy.

LIFFE (ONG LIFE OUT FIGURES CENTURE)

duction, pushed June bonds futures suffered from similar factors, opening at 90.14 for June dollvery, the high of the day, and finishing slightly off the low at 90.08, compared with 98-12 previously.

But the buy
LIFFE (ONG LIFE OUT FIGURES CENTURE)

LIFFE LONG LIFE GILT FUTURES OPTIONS

PHILADELPHIA SE E/S OPTIONS £12,500 (cents per £1)

Latest Night 97-12 98-04 96-20 97-13 96-26 96-13 96-01 96-13 94-10 94-29 93-02 93-02 92-00 92-00

SERT. DEPOSIT (IMM)

97-07 96-17 96-17 96-23 95-00 94-09 93-00

**CHICAGO** 

→ C\$/SOR rate for May 14: 1.62527 OTHER CURRENCIES

ay 15	£	0	STERLI	NG IN	DEX
alle.	2 1430-2.1465	0,8500-0,8510 1,3950-1,3265		May 15	Prev
and _	200 27-213.79	4.9865-4,9885	8.30 am		76 76
оп9	120,0552-12,0461	7,8100-7,8120	10.00 am	76.2	76
burg	68.70-68,80	44.70-44.85 2.5850-8.5900	11.00 am		76 76
di Ar.	0.8175-5.8245 3.4056-3.4109	1,785S-1,7890 5,6500-6,6510 2,2115-2,2136	1.00 pm	76.2	76 76
I. (Cm)	5.3800-5.652U	2,1600-8,1645 3,3175-8,4330 3,8715-3,8745	2.00 pm		76
	0,0000				

	Ecu contraf	Currency amounts sgainet Ecu May 15	% change from cantral rate	% change adjusted for divergence	Diverge fimit
	-D 0704	43.8938	+0.50	+0.55	±1.5
Belgian Franc		7.94932	+0.38	+0.43	±1.64
anish Krone	7.91896			+0.58	±1.13
Derman D-rest	k 2,13834	2.14966	+0.53		+1.3
French Frenc	0.96280	8.86635	1.64	-1.49	= 1-2
Dutch Oulidar .		2.42283	+0.56	+0.61	±1.50
		0.707444	-0.77	0.72	-±-1.60
irish Punt Imijan Lics	1496.21	1474.82	1.43	1.43	±4.0°
Char	nose are for E	cu, thorefore	pesitive cha	inge denotes	

### Company Notices

### NOTICE OF ADJUSTMENT OF CONVERSION PRICE

**SMITH & NEPHEW** Associated Companies plc

### (incorporated in England with limited liability) US\$60,000,000

5½ per cent. Convertible Bonds 2000

Notice is hereby given that as a result of a one for onn scrip issue, and pursuant to Condition 4 of the Bonds and to Clause 7 of the Trust Deed by which the Bonds are constituted, the conversion price of the Bonds has been adjusted with effect from 15th May 1986. The adjusted conversion price is £1.09 per Ordinary Share.

ASCA EGGYO COMPANY, LIMITED US \$20,000,000 T/L per Peps. Generation! Notes due 199 Parament to the clause 4 of the instrument dated 77th August, 1985 at respect of the above usus, Nonce a hereby given as follows. 1. On 12th May, 1986 The Board of Directors of Acas Keeys Company, Linaued (The Company) resolved to make a free distribution of sharms of its common stock on 18th July, 1986 to the shareholders of record as of 31st May, 1986 to the shareholders of record as of 31st May, 1986 at Japan, at the trace of 1:0.85 new share for each plane held.

2. Accordingly, the subscription price will be:

THE TOTAL BANK LIMITED, LONDON BRANCH PRINCIPAL PAYING AGENT.

CS15,000,000 16 kg/ 1082/1088
NOTICE 75 HSREBY GIVEN that
Communaute Urbaine de Quebec will
prepay on June 30th. 1085 st
100.50 mg. all the atterastic Motres
cetstanding on such date. The Notes
will cease to bear interest from June
30th. 1986. The holders of Notes
are therefore requested to present and
surrender their Notes to present and The Fiscal Agent SANQUE NATIONALE DE PARIS (LUXEMBOURG) S.A.

Personal

YOU CAN HELPOUR Our Surgical Research Fund relies solely on donations from the public. Please help us to continue this vital. work by sending your donations to:

### Legal Notices

IN THE MATTER OF EUROPEAN BUYING OERVICES LIMITED AND IN THE MATTER OF THE CUMPANIES ACT 1985

THE CRIMPANIES ACT 1985

NOTICE IS HERESY GIVEN that the creditors of the above-named Company, which is being voluntarily wound up, are required, on or before the 18th day of June, 1996 to good in their full Christian and sumames, their addresses and execuptions, full particulars of their debts or claims, and the rames and addresses of their Solicitors [if any) to the undersigned IAN ORNALD WILLIAMS, of Grant Thornton, Fairliss House, Fulwood Place, London WCIV SDW the Liquidator of the said Company, and, if so required by notice in writing from the said Liquidator, are personally or by their Solicitors, to come in and

from the said Liquidstor, sre, personally of by their Solicitors, to come in and prove their Solicitors, to come in and prove their Solicitors, to come in an expensive and place as shall be specified in such notice, or in default thereof they will be sacisded from the benefit of any distribution medo before such debta are proved.

Osted this 2nd day of May, 1988, IAN D. WILLIAMS, Liquidstor

THE JEWELLERS SUPPLY COMPANY

NOTICE IS HERESY GIVEN pursuant to Section 293 of the Cempenias Act, 1948, thet a Meeting of the creditors of Jewellars Supply Company Limited will be hald m 30 Eastbourne Tarrace, London W2 6LF on Wednesday the 28th day of May 1986 at 10.30 of clock in the morning, for the purposes provided for in Sections 590 and 592.

Dated the 8th day of May, 1986, WILLEY HERRMAN, Director

HISCOCK BROS, LIMITED

NOTICE IS HEREBY GIVEN pursuent to Section 588 of the Companies Act, 1948, that a Meeting of the creditors of HISCOCK GROTHERS LIMITED will be held at the offices of AT THE OFFICES OF LEONARD CURTIS & CO.

CENNARD CURTIS & CO.
30 Esatbourne Terrace,
London W2 6LF
on Thursday the 29th day of May 1986
of 12.00 o'clock midday, for the purposes provided for in Sections 589 and
590,
Dated the 9th day of May 1986,
E. 8. THOMPSON, Director

Clubs

### S WORLD VALUE OF THE DOLLAR BANK OF AMERICA NT & SA, ECONOMICS DEPARTMENT, LONDON

The table below gives the rates of exchange for the U.S. dollar against various currencies as of Wednesday, May 14. 1986. The exchange rates listed are middle rates between buying and selling rates as quoted betwoon banks, unless otherwise indicated. All currencies are quoted in foreign currency units per one U.S. dollar except in certain specified

Bank of America, Economics Dept., E.M.E.A. London Eurodollar Libor as of May 14 at 11.00 a.m. 3 months: 612 6 months: 612

areas. All rates quoted are indicative. They are not based on, and are not intended to be used as o basis for, particular transactions.

Bank of America NT & SA does not undertake to trade in all listed foreign currencies, and neither Bank of America NT & SA hor the Financial Times assume responsibility for errors.

ECU=\$U\$.980887 SDR1=\$US1,16687 Sibor as of May 14 at 11.00 a.m.
3 months: 7 6 months: 6

COUNTRY	CURRENCY	YALUE OF DOLLAR	COUNTRY	CURRENCY	VALUE OF DOLLAR	COUNTRY	CURRENCY	YALUE OF DOLLAR
Afghanistan	Afghant (o)	50.60	Gronade	E. Carlobean \$	8.70	Peraguay	(Cuarani (0.c.)	240.00
Albania	Dinar	6.0742 4.90	Duadaloupe	U.S.	6.98 1.00	Peril	Inti- (c)	729.50 10.94 20.49
Andorra	Fr. Franc	6.55 100.20	Guatemala	Quetzal (o)	1.00	Philippines Pitoairn is Poland	Peso	20,49
Angola	sp. Poteta Kwanza	29.218	Guinee Riscou	Para	170.479	Poland	Ziety (o. (3)	1,788 163,76
Angola	E. Caribbean \$	8.70	Oulnea Rep	Franc	170,479 840.00	Puerto Rico	Escudo	146.65
Arube	Austral (7) Florin	0,881	Guyana	Franc (i)	500,00 4,509	Ontar	u.s. goliar Rival	1.00
Australia	Dollar	1.4210	Guyana	Gourde	0.00	Reunion, fi da la	Fr. Franc	8.98 4.43
AZOTOS	Port. Escudo	10.435	Honduras Rep	Lempira (d)	0.00 0.00 0.55	Romania	Leu (a)	12.40
		1.00	Hong Kong	Dollar	7.811	Rwanda	Franc	12.40 88.0281
Salearic la	OIRET Sp. Denete	0.3752	Nungary	Forint	45.282	St. Christopher	E. Caribbean 5	2.70 1.5363
Sangladesh	Taka	. 30.30	fceland	Krona Buren	40,47	St. Holens	E. Caribbean 0	2.70
32/02/06	DOUAL	2,0115 44.73	India	Rupiah	10.87 1194.00 79.1008 0.3109	St. Vincent	Fr. Franc E. Caribbean S	0.98 2.70
3olgium	Franc (f) (er)	45.06	ICAN	filal (c) Dinar	79.1008 0.5109	Samoa (Western)	Tale	2,17
Benin	C F A France	2,00 342,00	iraq irish Rep	Punt*	1 1.009	Sampa (Am.),	U.G. B	1503,50
Sermude	Dollar	1.00	fsrael	Now Shekel	1.471 1503.50	Sac Yome &		
Shutan	Nguitrum	10.57	Ivory Coast	C.F.A. Franc	349,00		Dobra	38,7791
30livia	Peso (f)	1900000,				Saudi Arabia	Riyal C.F.A. France	8,6565 549,00
3otswana	Pula	1,7129	Jamaica	Dollar (o)	8.48	Seyonciles	Rupee	8,1999
Brazif	Cruzado (o) (3)	13.88	JapanJordan	Yen Dinar	168 48 0.3320	Sierra Leone	Leghe	5,00 2,213
Srunol	Dollar	8,213 0.941			i n.a	Solomon Is	Dollar	1,6287
Bulgaria Burkina Faso	C.F.A. France	349.00	Kenya	Shilling	15.9444	Somali Rep	Shilling Spanish	58,00 8,3835
Burunol	Kyat Franc	7.9515	Kampuches Kenya Kiribati Korea (hth) Korea (sth) Kuwait Lao P'pis D. Reg	Won	1.4910 0.94	South Africa	Randio]	5.1645
Camsroun Rp		105,150 349,00	Kores (Sth)	Won	02898	Spain	Peseta.	159,20
Canada	Dollar	1.389	Lao P'pis D. Reo -	Kip	0.2898 35.00	Spain	Sp. Peseta	159,20
Canory Is	Sp. Peseta Escudo	139,60 89,2698	LEDSINI	** Late	28.88 2.1645	Sri Lanka	Rupes Pound (0)	27.015
Cayman Is	Dollar	0.835	LIOS PIZ	Dollar	1.00	Sudan Rep	Pound (k (B) Pound II) (4)	8.45 9.00
Cen. Africa Rep	C.F.A. Franc G.F.A. Franc	349.00 349.00	Lios ria	Dinar io	1.00 D.3061 1.881	Surinam	Pound If) (4) Duild st	4,00 1,785
Chilo	Peso (gr	188.82	Luxambourg	Luc. Franc	44,75	Swaziland	Lilangani	2.1646
Left (174) and recommendated and a	Renminol Yuan Peso (0)	3,186 186,87	Macso	Pataca	8.1180	Sweden	Krona	7.082
Colom Oia	C.F.A. France	340.00	Medagascar D.R.	Port Feordo	687.111 148.68	Syria	Franc Pound (c)	1.821 5.925
Conno Pole Pen of	C.F.A. France	349,18	Molawi	Kwacha	1.7646			
Costa Rica	Colon Peso	55.16 0.8682	Maleysia,	Ringoit Bulives	2.584	Tanzania	Dollar Brillian	38.41
Cyprus	Pound*	2.0044	Mail Rp.	C.F.A. Franc	7.00 349.00	Thailand	Baht	19.70 08,27
	Koruna (o)	6,10	Maita	Lire*	2.3773 6.98	Togo Rep	C.F.A. France	340,00
Oshmark		9.099 177.00	Martiniqua Mauritania	riguo	77.00	Tonga is	LØ, Sruiter	1,4815
Dominica	C. Carionean p	2,70	Mauritius	Ruose	13.20	Trinidad & Tobago	Dollar (h)	8,60
Domin. Rep	Peso (d)	8.845 2.858	Mauritius	Peso (d)	629.50	Tunisia	Dinar	0.73
		1	Michigles	Fr. Franc	8.08	Turks & Caicos	LIFE(D) U.S. 5	870.72 1.00
Eouador	Sucre (f)	156,80 109,85	Moneco	Fr. Franc	89.0	Tuvaiu	Aust. Dollar	1,4215
	/Pound	0.83	Mongolia	Tugrik (6) E. Caribbean S	0.3555 2.70	Uganda	Shillen	1458.30
Egypt	(Pound (o)	1.38	L .			United Arab Emir.		3,573
El Salvador	Colon	5.00	Morocco	Dirham	0.01	United Kingdom	Pound Sterlings	1,5365
Eq'ti Guinea	C FA France	0.00 349.00	Mozambiguo —— Nomibia ———	Metical S. A. Dand	40.78 2.1645	Uruguey	Peso Im)	. 143.75
Éthiopia	Birr (o)	9.0504	Luvining manna	of to white	,	Vanuatu Vatican	Rouple Vatu	0.7006 94.8697
Focroe is	Dan. Krono	2,099	Nauru is	Aust Doller	1.4215	Vatican	Lira	94,2697 1503,50
Falkland Is	Poung- Boller	1.5563 1.0905	Nauru is	Rupee	20,50		Bolivar (g)	7.50
Finland	Markka	4.988	Neths riznds	Guilder lei)	2.459 1.80	Yanazuela	Bolivar (g) (1)	4.50
Fr. C'ty in A?	Franc (or)	) 0.29	Now Zesland	Onlier	1.788		Bolivar (0)	10.34
Fr. C'ty in Af	C.F.A. Franc Franc	346.00 8.68	Niceragua	Gordoba	70.00	Vietnam Virgin fs. British	Dong	19.8122
Fr. Pac. is	C.F.P. Franc	128,809	Niger Ro	Corgoda(g)	975.00 349.00	Virgin is. U.S	u.a. <b>a</b> U.B. <b>S</b>	. 1.00 1.00
Fr. Pac. is	C.F.A, Franc	349.00	Niger Ro Nigerio Norway	Naira	1.0198			
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Ghana	Cedi .	1 80.0	Oakistan	Rupee	10.498	Zarie Republic	Zuíre	56 23
Gloreitar	Pound <sup>a</sup> Brachma	1.5363 130.00	Panama Oapua N.G	Balboa	1.00	Zamb e Zimbabwe	Kwacha	6,0052
Greenland	Dan. Krons	8,090	Vapus N.G	MIN	0.4100	207000W0	DVIII T	1,6609

n.e. Not avoilable. (m) Markot rate. \*US dollars pet National Currancy unit. (s) Freemarkst central bank. (e) Official tate. (b) Freemarkst Interbank. (c) Communicial rate. (d) Freemarkst. (a) Controlled. (er) EMS Realignant, April 1988: Adjusted—DM + 3 per cent, 0.6 + 3 per cent, FFr - 3 per cent, 6Fr + 1 per cent. 6Kr + 1 per cent. (f) Financial rate. (h) Prolorential rates. (h) Non-espaintial imperts. (i) Floating tourist rate. (j) Public Transaction rate. (i) Agricultural products. (1) Venezuela: For dabts incurred prior to Fabruary 1983. (3) Srazil. March 1. 1986: New currency introduced—1 Cruzado = 1,000 Cruzeiros. (e) Sudan, March 11, 1986: Pound readjusted. (f) Turkay, March 15. 1986: Lits affectively devalued by 8.23 osr cent. (g) Libye, March, 1986: Oinsr now paggad to the SDR. (7) Argontina. April 24, 1996: Austral devalued by approximately 1.12 per cent. (6) Sudan, April 14, 1986: Third exchange rate introduced. (9) Norway, May 11, 1986: Krone devalued by approximately 12 per cent. For lurther information please contact your local Granch of the Sank of America.

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Financial Times Friday May 16 1986 37 INDUSTRIALS—Continued MINES-Continued PROPERTY—Continued FINANCE, LAND-Cont. INVESTMENT TRUSTS-Cont. LEISURE-Continued 1926 uph Loss 2 35 stam 130 stamp 212 Harda 482 statem | September | Sept 91 65 | Alex Corp \$4.51.50 |
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115 | 22 1.2 2.8 201d 38 201d 38 225c \$ 5.7 908.33c \$ 2.8 0143 11 6.2 | 105 | 64 April 1902 | 64 April 1903 | 65 Apr | Section | Column | 124 | NEWSPAPERS, PUBLISHERS | 218 | 195 | 458 | 560 | 7.20p | 195 | 54 | 24 | 40 | 125 | 120 | 218 | 195 | 158 | 218 | 195 | 195 | 218 | 195 | 218 | 195 | 218 | 195 | 218 | 195 | 218 | 195 | 218 | 195 | 218 | 195 | 218 | 195 | 218 | 195 | 218 | 195 | 218 | 195 | 218 | 195 | 218 | 195 | 218 | 195 | 218 | 195 | 218 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | SHIPPING | 367 | 303 | Seq. & Comm. 180 | 214 | 124 | 125 | 125 | 124 | 125 | 125 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | 126 | The contract of the contract 1010c - 25 1010c - 25 1010c 11 19 1010c 22 4.7 1010c 0.7 2.0 011c 0 5.7 195 | 135 | Aper Haam \$M1 \_\_\_\_\_\_ 72 | 33 | George Berhau #50.50 \_ Miscellaneous NOTES | TR | TR | Transp (H.] | Tran | 1916 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 | 197 1956 Stock Prior - Net Err Sr's PROPERTY | 14| | 11| | 14| & M Group 100 | 14| | 14| | 15| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16| | 16 LEISURE

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en in min-subject t uld be in . xed capita petition las itain's RAI company i combat air conjunction opanies and lop a light-ghter plane

net 3 lower at the close et 400p. Falls in the region of 4 were common to Trust House Forte, 150p, and Ladbroke, 317p.

Beatson Clark wanted

### **MARKET REPORT**

Account Dealing Dates

Option \*First Declara- Last Account Dealings tions Dealings Day Apr 28 May 8 May 9 May 19 May 12 May 29 May 30 June 9 June 2 June 12 June 13 June 23

London equity markets wilted afresh yesterday. Further oer-vous offerings in the aftermath and after the first couple of an increased offer from Lloyds, hours or so of trading the equity or counter bld, closed 17 lower sectors began to look rather at 798p.

Investors found little comfort in the late overnight surge on Wall Street and a small mark up in bue chip iodustrials at the

There were e few aigns of any substantial setling pressure, but with underlying seotlment sitt very sensitive, the tone gradually deteriorated.

Quarterly figures from the two Oil majers, Royal Dutch/Shell and British Petroleum, failed to excite the market. Elsewhere, Grand Metropolitao produced in-terim figures et the top eod of expectations, but these also met

An early setback 00 Wall Street yesterday maintained the downward pressure on the leaders and the Financial Times Ordinary share index which posted a gain of 3.9 at the 10.00 am calculation coded the day with a fall of 17.4 at 1,302.6 making a two-day loss of 38.6. The more broadly besed FT-SE index, down 29 points on Wednesday, dipped 18.9 more to close at 1,575.7.

Government securities remained under the influence of the US bond markel. Long-dated Gilts opened around \( \frac{1}{2} \) a point lower, but initial falls were sooo reduced by an i or ao. However, the small rally proved short-lived as the annouocement of an unexpected 0.2 per ceot rise in US industrial production triggered off an early setback in American bonds which in turn put recewed pressure on domestic markets. In the event, long-dated issues finished with falls extending to while the sborts ended up to

Demand persisted for Chioese bonds on debt settlement hopea, with the 5 per cent 1912 improv-ing 6 more to £40.

**EQUITY GROUPS** 

& SUB-SECTIONS

Figures in parentheses show an stocks per section

CAPITAL GOODS (214) .

Food Manufacturing (22)
Food Retailing (15)
Health and Household Products (10)
Letsure (25)
Publishing & Printing (14)
Packaging and Paper (14)

CONSUMER GROUP (183) ... Brewers and Distillers (22) ...

Electronics (38)

Stores (42)

49 MOUSTRIAL GRE 51 Oil & Gas (17)

OTHER GROUPS (86) Chemicals (19)...

59 | 500 SHARE INDEX(500).

FTMANCIAL GRB UP (12)
Banks (7)
(Issurance (Life) (9)
Insurance (Composite) (7)
Insurance (Brokers) (8)
Merchant Banks (12)

Property (50)..... Other Financial (24)

1 5 years...

2 5-15 years

5 All stocks.

7 Over 5 years.

3 Over 15 years.

Index-Linked

9 Debestures & Loans.

Mining Finance (3)..... Overseas Traders (14) ...

**FIXED INTEREST** 

144.03

171.18

118.37

Day's clumge %

253.11 -0.66 154.04

141.01 | -0.35 | 141.51

119.55 -0.62 119.58

122.47 --0.06 122.54

Weds May 14

124.89 -845 146.68

113.00

-0.57 172.15

-0.02 118.59

89.55 -9.03 89.58 -

### Equities wilt again and FT index records two-day fall of 38.6

two-day decline of 105. Barclay: lost 10 more to 502p as did Lloyds to 582p, while Midland softened e couple of pence to vous offerings in the aftermath solution of NatWest's mammoth call 555p. Elsewhere, Standard Charfound tha market unreceptive tered reflected fading hopes of

Lloyds Broker Willis Faber, receotly supported on hopea that Morgan Grenfell, the merchant bank in which it holds a near-25 per cent stake will soon get a public listing, closed 10 higher at 462p, after 474p, following lata confirmation that an MG listing is in the pipelioe. C. E. Heath's annual results were in lice with expectations and the sharea moved up 8 to 610p, while Dewey Warren advanced 10 to 121p, after 125p, on the an-nouncement that Harvard Securities had increased its stake in terim figures et the top eod of expectations, but these also met with little response in the surrounding gloom.

An early setback oo Wall Street yesterday maintaioed the downward pressure on the leaders and the Financial Times dearer oo halance at 932p. GRE came on offer at 867p, down 23p, while Sun Alllance relinquished 12 at 710p, after 732p.

The absence of investment interest left leeding Breweriea at the day's lowest. Bass dipped 13 to 755p, while Allied-Lyons fell 9 to 322p. Whitbread "A." scheduled to reveal preliminary figures cext Wedoesday, shed e few peoce to 275p, while Guinness closed 6 cheaper et 307p. In cootrast, Vanz advanced 15 to 440p following hullish noticea emacating from a broker's

Leading Buildings followed the general trend, although one or two construction issues made progress oo talk of forthcoming progress of talk of forthcoming brokers' circulars. AMEC were finally 4 deerer et 267p and Taylor Woodrow, additionally boosted by vague bid rumours, touched 633p prior to closing 5 higher et 625p. On the other hand, Barratt Developments shed 8 to 1560 on profit-taking. Among the second-liners, Hen-Among the second-liners, Henderson Group cootinued to respond to the confideot statement which accompanied the annual results and rose 7 to 225p, but Aberdeen Construction shed 8 to 252p upset by the provision for a further loss of £960,000 included in the preliminary figures. Manders, a firm market recently on speculative demand, ran back 10 to 243p, but Wiggins Group gained that much, to 64p.

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times,

the Institute of Actuaries and the Faculty of Actuaries

Thurs May 15 1986

FINANCIAL TIMES STOCK INDICES

May May May May May year

	1.0	. 14				_ a ·	ago
Government Secs	91.98	98.43	21.87	91,60	99.26	98.66	20,37
Fixed Interest	as.aa	a7.10	ea.so	92.88	e7,24	94.83	85.88
Ordinary ♥	1308.6	1320.0	1341.2	1330,5	1330,3	1336,9	1012,6
Gold Mines	244.3	251.0	263,6	S58.1	25B,4	256,6	488,8
Org. Biv. Yleid	4.84	4.14	3,85	4,07	4,07	4,05	4.58
Earnings, Yld. %full)	10.46	10.25	a.ag	10.19	10.20	10.09	11,50
P/E Ratio (nell (*)	11.62	11.93	19,45	11.88	11,27	12,11	10.60
Total bargains (Est.)	a6,921	· a6,7aa	24,857	28,603	22,811	a6,a1a	96,740
Equity turnover £m.	_	. 680,93	676,45	492,78	675.43	592.74	445,87
Equity bargains	: -	. a3,530	84,587	25,630	30,7ae	26,635	23,626
Ahares traded (m	_	995.1	a74.1	245.9	318,2	<b>275, 3</b>	246.3

♥ Dpaning 1320.8. 10 em 1323.6. 11 em 1323.5. Noon 1316.2. 1 pm 1311.2 2 pm 1309.1. 3 pm 1307.7. 4 pm 1304.4. Day's High 1324.4. Day's Lew 1302.1. Resis 100 Government Securities 15/10/25. Fixed interest 1928. Ordinary 1/7/25. Gold Minae 12/9/55. Activity 1974. Latest Indea 01-246 9026. \*Nii=11.29.

1	HIGHS A	AND L	S.E. ACTIVITY				
_	19	88	Since Co	mpllat'n	INDICES	May 14	May 13
	Hlah	Low	High	Low	Gilt Edged		
Oovt. Secs.	94.51 (18/4)	80.39 (20/1)	127,4	49.18	Bergeins Equities Bargeins	163.6 152.5	
Fixed Int	97.51 (22/4)	26,55 (25/1)	150.4 (28/11/47)		Velue 5de yAverege	1376.3	1185.1
Ordinary	142e.9 (å/4)	1094,3 (14/1)		26/6 (40)	Gift Edged Bargeina Equities	144.1	13e, 0
Gold Mines	357.0 (27 1)	244,2 (88/4)	734.7 (15/2/88)	43.5 (28/10/71)	2 orgains	169.6 1885.0	172.0 1837.6
	(27 1)	(88/4)	(15/2/88)	];28/10/71/	Vaiue	1885.0	1837.e

10 apiece, while Gussles "A" dipped 15 more to 965p. In contrast, Cecil Gee spurted 20 to 120p, after 125p, following a broker'a bullish circular while Press comment lifted Body Shop 10 more to 640p. Scattered offerings left Next 6 cheaper et 254p.

Thorn EMI, unsettled of lete by reports that its troubled Immos susbidiary is on the verge of closure, rallled to 465p — ore Bk Ireland fall

Acutely disappointing annual profits from Bank of Irelandsome £7m below market expectations—which came hard on the these of NatWest's record £714m cash call on Wednesday, gave the banking sector a further sharp knock. Bank of Ireland plummeted 45 to 460p and took Allied Irish down 18 to 220p in sympathy. NatWest, meanwhile, touched 745p before closiog a further 20 lower at 750p, for a further 20 lower 252p upset by the provision of a couple of pence dearer at 459p following coups of the 225p, but Aberdeen Construction she are closing a couple of pence dearer at 459p following of lowing coups of the 252p upset by the provision for a further loss of father 252p, but Aberdeen Construction she are closing a couple of pence dearer at 459p following of lowing of lowing coups of the 252p, but Aberdeen Construction she are closing a couple of pence dearer at 459p following of some closing a couple of lowing of lowing of lowing lowi

May 12

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| No. | Clarge | Clar | Car | Clar |

Day's May May May May May Low 14 13 12 9 8 1575.1 1594.3 1623.3 1603.8 1601.6 1602.6

AVERACE GROSS OFNEMPTION YIELDS

7 High Coupons

11 Inflat'n rate 5%

12 Inflat'n rate 5% Over 5 yrs... 13 Inflat'n rate 10% 5 yrs... 14 Inflat'n rate 10% Over 5 yrs...

Year ago 1336.1

30.73 19.87 19.43 11.76 11.18 19.67 11.77

11.33 10.82 10.22

Weds May 14

7.69 8.66 8.52 8.76 8.76 9.19 9.19 9.19

3.37

326 230 331

10.12 10.02 9.93

Thors May 15

7.76 8.74 8.76 8.85 9.85 9.86 9.83 9.83 9.88 8.70

3.38

326 232 332

10.10

10.02 9.54

rose 10 to 235p in a restricted before closing a few peoce off market, but Yorkshire Chemicals shed 5 to 120p.

Cecil Gee buoyant

Most retailing issues continued to give ground io subdued trading. Woolworth, 775p, and W. H. Smith "A," 278p, fell 10 apiece, while Gussies "A"

before closing a few peoce off at 125p following confirmation that the company is seeking a public listing for its UK-hased electrical accessory and engineering businesses. Vague rumours of a possible bid from BP left Telephone Rentals 4 better at 216p, after 220p, while speculative buying lifted Electronic Machine 12 up at 84p. Wayne Kerr closed 7 higher et 85p following the AGM but Air. S5p following the AGM, but Air-Call came on offer at 240p, down

> A mixed trend was evident in Engioeerings following a quieter trade. Davy Corporation reflected revived takeover hopes with a rise of 6 at 100p, after 104p, while Bromsgroia Industries put oo 7 to 102p for the same reason. Hall rose 8 at 208p, same reason. Mail rose 8 at 2089, but Glynwed deolined 12 at 378p and Porter Chadburn relinquished 7 at 280p. Among the quietly dull leaders, GKN cheapeoed 4 to 321p.
>
> Food manufacturing issues gave ground ecross the board.

Food manufacturing issues gave ground ecross the board. Tate and Lyle and Rowntree fell 8 apiece to 562p and 492p respectively and Cadbury-schweppes drifted back 4 to 167p. Acquisition news left Unigate 7 cheaper at 260p. Elsewhere, Somportex were outstanding and touched 213p, prior to closing a net 20 higher at 210p in the wake of sustained speculative buying interest. Freshbake, a strong market in recent days, moved up to 97p, but eased late to the session following first the session following first the session following first Resources, Chloride, Dutch/Shell which were given a good reception. Shell, standing and 765p immediately prior to the figures, subsequently improved to 783p before coming off later in the day to close a net is to the god at 773p. The easier remains the afternoon was attributed to the general retreat in the latter touched 573p during firsts Function to the session following first Resources, Chloride, Dutch/Shell which were given a good reception. Shell, standing and Fobel Polity Perl and Fobel Polity Perl and Air Composition to the general retreat in the latter touched 573p during firsts Function to the figures. The latter touched 573p during the morning but fell away to coppa. Desire the morning but fell away to coppa. Desire the morning but fell away to the session of the session following first Resources, Chloride, Dutch/Shell which were given a good reception. Shell, standing and 765p immediately prior to the figures, subsequently immediately prior to to the figures, subsequen to 154p on investment buying. Interim profits at the top eod of analysts' forecasts saw Grand Metropolitan move up to 408p before profit-taking and the widespread setback throughout equity markets left the shares a

5539. Briton dropped 9 to 176p,
LASMO 7 to 118p and Ultramar
5 to 175p. Among secondary oils
renewed speculative support
lifted Century Oils to 109p before a close of 106p, a net gain
of 4, while Irish buying boosted
Conroy Petroleum and Natural

**WEDNESDAY'S** 

Shell move ahead

### YESTERDAY'S **ACTIVE STOCKS**

**ACTIVE STOCKS** 5tock

the following stocks ye			_	No. 01	Wed.	Dey'
		Day's	Stock	changus	close	chang
5tock	price	change	British Telocom	21	228	-12
Amaired	532	+25	Cable & Wire.	20	640	-27
ap	553	-10	Sarclays		512	- 35
Surmah Ilil	348×r	+ 2	NetWest, Benk		770	-85
Commercial Union	31a	- 7	Weathury	18	156	
English Chine Clays	348	- a	Worcester		137	_
Gea (Cacil)	120	+20	Ratcliffe (F.S.)	17	230	+35
ICI	895	-22	Midland Bank		555	-1a
NetWest Sank	750	-20	Sselchi S'tchit	15	30pm	-10
Royal Insurence	932	+ 1	Glaxa		980	+15
Shell Transport	773	+ 8	Lanrho		262	+ 1
Stainless Metalcraft	200	- 7	Pentiand Inda.	14	735	_
Taytor Woodrow	625	+ 8	t	NII peid.		

E	UROP			LION	(S E	KCH	IANG	E
			May	1	Reg.		Her.	
	ries	Vol.	Last	Vol.	Last	Vol.	Last	Stock
COLD C	\$120	47	24 12.50	-	-	1-	_	\$342.40
COLD C	\$330 \$340 \$360 \$360 \$360 \$300 \$320 \$330	49 30 157	12.50	36	155	1 =	=	
COLD C	\$360	_	_	10	- 9	14	146	} :
GOLD P	\$300	Ξ	=	18	1.70A	1 =	=	
COLD P	2250		<b>–</b>	36 10 16 18 18 18 18 18 18 18 18 18 18 18 18 18	170A 350	I =	} —	2
COLD P	\$340	2	סננ	720	6	30	10.50	=
COLD P	\$340 \$350 \$360	30 29	16.50	l <u>-</u>	-	[ =	-	:
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=-			lane		iept.	<u> </u>	Dec.	
EFL C	F1.375 F1.360	50 40	7.30 4.80	] =	_	T =	=	F380.26
E/FL C	FL363 FL363 FL363 FL263 FL260 FL260 FL260 FL260		-	=	1 =	90	3	
SFL C	FL240	20 16 22	0.50 8.60 5.80	1 3	Z	! =	I =	FI217.00
SFL C SFL C SFL C	FL245	22	5.80	2 4	3.80	152	.=	
E/FI. C	FL280	112	1.30	]	3.00	25	5.50 1.906	-
SFL P	FL235	112	1.30	1 -	420	-	=	l :
SIFL P SIFL P SIFL P	FL290 FL290 FL255	3	6.50	3	620 2030	Ξ	=	:
S/FL P	FI.255	300	6.50 16.40 1A.20	l <u>-</u>	=	=	=	:
<b>410</b> -	-		-	. –	. –	· –	. –	
							<b>-</b>	
-011 0	5.400		*		lct.	_	Des.	FL 552
ABH C ABH P AEGN C	FL600 FL540 FL110	268	7 7.80 2.40	45 25 N	16.50A 14 4.10	zí	20A 38 8	-
AEGN C	F1.110 F1.100	230		58	4.10 6.20A	23	6.70	H102-50
AH C	E1 000	249	330	65	8	27	7	FL27
	FI.75	95	9.30 2.30 7.60 2.10		1280	20 18	420 11.50A	F1159.30
AKZD P	71.100	76	2.10	柳 邓 23	12.80 3.50A 9.50	4	- 5	
	FLUSO	1 22						
AMEN C	FL.70	100	7.40			1 3	5	R.,77
AMEY C AMEY C	F1.70 F1.75 F1.110	100 40 315	230		3.50	18	5.50	FL 77
AKZD C AKZD P AMEV C AMEV P AMEO C AMEO P GIST C	FL36 FL36 FL36 FL36 FL36 FL36 FL36 FL36	100 40 313 80	230		3.70	! =:	550	
GIST C	P1300	100 915 175 175 175	7,40 2,80 1,50 2,60 2,80 15,50		3.70 4.59 7.50A	10	550 1940	FL258
GIST P HEIN C	P300 F270 F1160	100 C	7,40 2,80 1,50 2,60 2,80 15,50		3.70 4.50 7.50A 18	! =:	550	FL97.40
GIST C GIST P HEIN C HEIN P	P300 F270 F1160	1801381381	7,40 2,80 1,50 2,60 2,80 15,50 5 3,19	39 30 57 38 50 1	3.70 4.59 7.50A 18 8.50 58 6.50	19	550 1940	FL258
HEIN CHEIN CHEIN PHEIN CHEIN PHEIN CHEIN PHEIN CHEIN PHEIN P	P.300 P.270 F1360 P.150 P.165 P.165 P.165	Suresta Sure	7,40 2,80 1,50 2,60 2,80 15,50 5 3,19	39 30 57 38 50 1	3.70 4.59 7.50A 18 8.50 58 6.50	194	1940 14 14	FL258
CIST C CIST P HEIN C HEIN P HEO C	P.300 P.270 F1.160 P.150 P.165 P.165 P.165 F1.100 F1.100	18年18日本日本日本日本日本日本日本日本日本日本日本日本日本日本日本日本日本日本日本	7,40 2,80 1,50 2,60 2,80 15,50 5 3,19	39 30 57 38 50	3.70 4.59 7.50A 18 8.50 58 6.50	194	1940 14 14 14 14 14 14 14 14 16 16	6.97,40 F1,298 F1,359 F1,105,90
GIST P HEIN C HEIN P HEO C HEO P HOOG P HOOG P	P.300 P.270 F1.160 P.150 P.165 P.165 P.165 F1.100 F1.100	in service services of the ser	7,40 2,80 1,50 2,60 2,80 15,50 5 3,19	99757 351 1K2 1K	3.70 4.59 7.50A 18 8.50 58 6.50 12.50 5.50 3.80	10	1940 14 14	FL258 FL259
GIST C GIST P HEIN C HEIN P HEO C HEO C HOOG G HOOG P KLM P NEDL C	P.300 P.270 F1160 P.150 F1.165 F1.165 F1.165 F1.160 F1.50 F1.50 F1.50 F1.50 F1.50	骝	7.40 2.80 2.60 2.80 15.50 3.10 4 11.50 3.70 1.70 8.30	99757 351 1K2 1K	3.70 4.50 7.50A 8.50 58 6.50 12.50 5.50 5.50 5.50 8.50	124   1275	19.40 19.40 14 14 7.30 4.40	6.97,40 F1,298 F1,359 F1,105,90
GIST C GIST P HEIN C HEIN C HEIN C HEIN C HEIN C HOOG C KLM P NEDL C KLM P	F150 F120 F1160 F1160 F1160 F1160 F150 F150 F150 F150 F150 F150 F150 F15	꽾	7.40 2.50 2.50 2.50 2.50 2.50 2.50 2.50 2.5	99757 351 1K2 1K	3.70 4.59 7.50A 115 8.50 5.50 12.50 5.50 3.80 8.90 1.70	124   1275	19.40 19.40 14.50 14.50 14.50 14.50 14.50 13.50	FL97.40 FL298 FL359 FL365.90 FL466.50
GIST C GIST P HEIN C HEIN P HEO C HOOG G HOOG P HOM C KLM P MEDL C MEDL C MEDL P MATRIC	1.300 F.270 F.150 F.150 F.160	200	7.40 2.50 2.50 2.50 2.50 2.50 2.50 2.50 2.5	99757 351 1K2 1K	3.70 4.59 7.50A 115 8.50 5.50 12.50 5.50 3.80 8.90 1.70	1941119751199	5.50 19.40 14 7.30 4.40 13.30 5.20A	FL77.40 FL758 FL759 FL765.90 FL766.50 FL766.50 FL766.50
AGRECO GIST P HEIN P HEO C HOOG C HOOG C HOOG C HOOG C HOOG C HOOG C NATH P NATH C NATH C	1.300 F.270 F.150 F.150 F.160	200 111 171 204 151	7.40 2.50 2.50 2.50 2.50 2.50 2.50 2.50 2.5	99757 351 1K2 1K	3.70 4.50 7.50A 18.50 5.80 6.50 12.50 5.50 1.40 1.26 3.40	1941119751199	1940 1940 14 14 1450A 730 440 1330 520A	FL77.40 FL278 FL278 FL305.90 FL46.60 FL36.50 FL36.20 FL56.20
AGRECA C GIST P HEIN C HEIN C HEO P HOOS P KLM C KLM P NEDL P NATH C PHIL C PHIL C	P.300 P.270 P.130	208 111 171 204 515 489 349	7.40 2.50 2.50 2.50 2.50 2.50 2.50 2.50 2.5	発展が下層的・  異数数数一年以中気を表	3.70 4.50 7.50A 8.50 58 6.57 12.50 3.80 8.90 1.25 3.40 1.25 3.40 6.408 6	1 22   127   129   127	19.40 19.40 14.40 14.50 13.30 4.40 13.30 5.20 4.20 7	FL559 FL59 FL59 FL6650 FL6650 FL6650 FL5620
AGRECA C GIST P HEIM P HEO P HOOG P HOOG P KILM C KILM P MEDIL C WEATA P PHIL P PHIL P POP PHIL P CO P	P.300 P.270 P.150 P.150 P.165 P.165 P.160 P.150		728955594589759999999999999999999999999999	発展が下層的「一番和機器「月月月の下層の	3.70 4.50 7.50A 8.50 58 6.50 12.50 12.50 12.50 1.20 1.20 1.20 1.20 1.20 1.20 1.20 1.2	1 4 4 1 1 2 7 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	1940 1940 14 14 14 14 14 14 14 14 15 14 15 16 16 17 17 18 18 18 18 18 18 18 18 18 18 18 18 18	FL77.40 FL278 FL359 FL365.90 FL365.90 FL365.90 FL362.90 FL362.90 FL362.90
AGREE C GIST P HEIN C HEIN C HEIN P HEOG G HOOG P KIJM P NEDL C MATH C PHIL C PHIL C ROPE C ROPE C	F1300 F1270 F1360 F1360 F1360 F1360 F1360 F1360 F1360 F1370 F1360 F1370	200 111 171 204 515 489 521 124	7.40 2.50 2.50 2.50 2.50 2.50 2.50 2.50 2.5	995-795-162968-1929-97-89-1	3.70 4.59 7.50A 8.50 8.50 8.50 12.50 1.40 1.40 1.40 1.40 1.40 1.40 1.40 1.4	1 22   127   129   127	19.40 19.40 14.40 14.50 13.30 4.40 13.30 5.20 4.20 7	FL77.40 FL77.80 FL77.80 FL77.80 FL77.80 FL77.80 FL77.80 FL77.80
AGRECA C GIST P HEIM C HEIM P HEO C HOOG C HOOG P KILM C KILM C WEATA C NATH P PHIL P PHIL P PO P PO P	P.300 P.270 P.150 P.150 P.165 P.165 P.160 P.150		728 728 728 728 738 748 758 758 758 758 758 758 758 758 758 75	発展が下層的「一番和機器「月月月の下層の	3.70 4.50 7.50A 8.50 58 6.50 12.50 12.50 12.50 1.20 1.20 1.20 1.20 1.20 1.20 1.20 1.2	19124   1278   128   161	19.40 14.30A 1.300 4.40 13.30 4.40 13.30 5.20A 4.20A 7 0 8.20	FL77.40 FL278 FL359 FL365.90 FL365.90 FL365.90 FL362.90 FL362.90 FL362.90
ABRUC C GIST P HEIM P HEO P HOOG P HOOG P KLM P HEOL C HEOL C NATH P PHIL C PHIL C PO P C ROSE P	7.30 7.30 7.30 7.30 7.30 7.30 7.30 7.30		7.20 7.20 1.50 2.50 1.50 1.50 1.50 1.50 1.50 1.50 1.50 1	995-795-162968-1929-97-89-1	3.70 4.59 7.50A 8.50 8.50 8.50 12.50 1.40 1.40 1.40 1.40 1.40 1.40 1.40 1.4	19124   1278   128   161	19.40 14.30A 1.300 4.40 13.30 4.40 13.30 5.20A 4.20A 7 0 8.20	F1750 F128 F159 F105.90 F146.60 F166.50 F156.20 F156.20 F156.20 F156.20

Resources a further 7 to 77p.

There was little respite for a generally depressed mining market. Another lack-lustre showing by the bullion price coupled with persistent small selling caused a gradual declina in Golds which registered widespread falls before edging off the day's lows in late trading following hear chosing. The Gold Polici Brance - Charle - Loris spread falls before edging on the day's lows in late trading following hear closing. The Gold Mines index gave up 8.7 more to 244.3, its fourth successive decline. Bullion closed a net 50 cents easter at \$342.25 an onnee.

Leading Golds showed Vaai Reefs a point down of £41 whila Southward dipped \$\frac{1}{2}\$ to a year's low of £18\frac{1}{2}\$. Driefontein fell 50 to 950p, Hartebeest retreated 12 to e 1935 low of 221p and Declinarial lost 10 to 135p.

The latest slide by Golds spilled over into South African Financials and Flatinums. In the former group De Beers settled 10 cheaper at 465p, "Amgold" were £1\frac{1}{2}\$ down at £43, Genbel gave up 40 to 560p and "Ameoni" closed 25 lower at 775p.

UK issues were additionally weakened by another general retreat in domestic equities. Consolidated Gold fell 10 to 467p, RTZ 5 to 653p and Hampton Areas, in receipt of a 130p a share bid from Anstralia's Metals Exploration, were a shade easier at 140p.

The threat of drastic cuts in

Quietly dull trading conditions prevailed among the miscellaneous industrial leaders. Metal Box dropped 14 to 720p and Glaxo reacted 13 at 967p, while BTR, after the AGM, ended 8 off at 306p. Trafalgar House gave up 5 more making a two-day fall of 13 at 299p on reports that the company is facing legal action from Britoil for the lete delivery of an oil rig. Elsewhere, Beatson Clark attracted speculative buying fnelled by take-over rumours and the close was 23 higher at 228p. Expansion hopes continued to underpin NMW Computers at 355p, up a further 15, while Blue Arrow. current bidders for Hoggett Bowers, put on 6 at 376p. Bestwood, on the Country Gentlemao's Association bid situation, closed 30 better at 550p, while improvements of a penny and 3 respectively were seen in AB Engineering, 11½p, and Rexmore, 30p.

Good interim results and an

current bidders for Hoggett
Bowers, put on 6 at 376p. Bestwood, on the Country Gentlemao's Association bid situation,
closed 30 better at 550p, while
improvements of a penny and 3
respectively were seen in AB
Engineering, 11½p, and Rexmore,
30p.
Good interim results and an
optimistle statement prompted
support for Radio Cycle which
put oo 3 to 40p.
Secondary issues provided the
significant movements in Properties, Speculative demand was
forthcoming for Dares Estates
which touched 15½p prior to closing 2½ up at 14½p, while Edmond
Holdings gained a like amount
to 26½p. USM-quoted Ynrk Mount
edvanced 6 to 60p, while Marier
Estates rose 10 to 345p in a restricted market. Warner Estate
were finally 15 higher at 850p
following the good interim
figures, but Abaco shed 3 to 53p
and Rosehaugh lost 15 at 575p.
Proceedings among Textiless
again centred on Ireland's Sunheam Wolsey which advanced 10
more to 116p, after 125p, following e bid approach from John
Crowther, unchanged at 132p.
The latter confirmed tha purchase of around 21.5 per ceol
of Sunheam's equity from Panamanian toncern Namaval at just
to yer 105p per share. Elsewhere
In Textiles, huyers displayed

manian concern Namaval at just over 105p per share. Eisewhere in Textiles, huyers displayed fresh eothusiasm for Textured Ings ings tien ment of the property of the good at 174p, hut diseppointing preliminary figures left John Foster 12 cheaper at 88p.

HADITIONAL OPTIONS

First Last Last For Deal- Declara- Settle-lings ings tien ment of May 16 Aug 28 Sept 3 June 9 June 6 Aug 28 Sept 3 June 9 June 20 Sept 11 Sept 22 For rate indications see and of Unit Trust Service

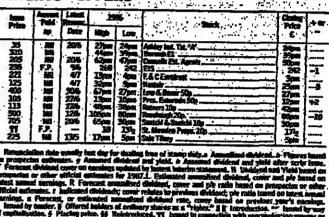
Call options were taken out in Wace, Five Oaks, Stock Conversion, Davy, Pepe, Greenwich Resources, Abaco Resources, Chloride, G. M. Firth, Sound Diffusion, Mnemos, Pressac, Barrie Investment and Finance and Fobel. Puts were struck in Poliy Perk, Five Oaks, Wellman and Air Call. No doubles were reported.

### RISES AND FALLS YESTERDAY

44 859 400 77 14 702 76 1,592 99 22 0 64 81 751

FIXED INTEREST STOCKS

Price	Paki	Labora	×	*	Change
£.		Date	High	Low	
79.977 15.527 1100 70.146 97.963 100 100 100 100 100 100 100 100 100 10	2000年200日20日本	117 345 37 2019 2019 2019 2019 2019 2019 2019 305 305 305	· · · · · · · · · · · · · · · · · · ·	2000年 1	Sept. Land 196-ph. Sept. Hort. Data. 19294   2070   Chim Valley Where 1976 Rink. Data. 26790   100



### **NEW HIGHS AND** LOWS FOR 1986

NEW HIGHS (73)

NEW HIGHS (73)

POREIGN BONDS (2) Chinese 47-55
1898, Do 5pc 1912, Do 5pc 1913,
AMERICANS (2) Sperry, Woolworth;
CANADIANS (1) Massey-Ferguso,
BANKS (1) Cle Banczine, BUILDINGS
(3) Federated Housing, Helicel Bar.
Wiggins, STORES (4) Body Shop,
Goldamiths, S & U Stores, Werehouse,
ELECTRICALS (5) Electroic Machines,
FERCIFICALS (5) Electroic Machines,
Hontals, ENGINEGERING (3) Christy
Hunt, Concentric, Staveley Industries,
FOODS (3) Freshbake Foods, Park
Food, Somportex, HOTELS (2) Crusts (1)
I o M Enterplace, IMBUSTRIALS (16)
Allied Plant, Assoc, Airt, Engng, Oo,
Boc CamCrayPri, Seetson Clerk, Bestwood, Black (P.), Holden Hydromen,
Johnsen and Jorgensen, Myson, NuSwift, PSM Intl., RFO, Relyon, Sonesson (W.) AB, Westrood Lawes (1)
Royal Incurance, LEISURE (2) Leisare
Invs., TYS N/V, MOTORS (1) Volve,
PAPER (2) Ferry Pickaring, Illves
Papar, PHOPERTY (4) Isares Estates,
Marier Estates, Warner Estates, Warner

### **LONDON TRADED OPTIONS** CALLS CALLS PUTS PUTS Hery Aug. Now Many Aug Now 27 65 1000 1 4 6 27 53 67 2 15 25 2 22 35 30 42 50 2 12 20 80 82 85 58 73 8 13 18 40 53 20 32 40 40 20 85 50 25 5 8 18 27 50 52 93 63 37 23 65 40 5 20 25 ES 27 68 19 35 12 24 6 13 8 14 21 27 44 45 15 35 45 60 25 95 125 135 29 25 30 10 22 30 6 12 21 80 83 50 97 40 80 13 37 37 5 15 37 1 170 120 90 50 3924 42 25 15 9 34 22 14 220 4 y 355 65 70 382 43 58 790 23 35 650 75 105 650 75 105 100 13 25 40 100 13 25 40 5 10 32 92 68 55 10 -- 15 - 22 -- 30 35 63 828 20 N 12 22 6 D 28 19 120 85 48 100 60 40 40 22 12 12 12 12 12 20 30 39 1e 24 27 6 12 22 35 42 44 5 6 — 62 63 — 180 140 110 93 | May | Aug. | Nov. | May | Aug. | Mon. | 75 | 93 | 100 | 1 | 5 | 13 | 25 | 4 | 40 | 52 | 20 | 40 | 52 | 1 | 17 | 30 | 70 | 70 | 73 | 25 x 25 x 14 23 8 13 (\*171) 7 30 100 — 3 78 95 3 55 73 20 40 55 40 77 92 3 55 62 20 25 40 42 30 22 90 Japan (\*473) 35 22 13 5 11 27 50 92 102 67 37 18 22 X X X X 32 14 9 | May | June | July | Aug. | May | M FT-8E 1550 Index 1575 (\*1576) 1600 1625 1650 1675 1700 100 110 120 13 6 40 2 33 2 28 7 38 51 58 1 21 36 44 17<sub>2</sub> 7 25 36 6 2 15 23 19 May 15, Total contracts 15,787. Cath 6,161. Pair 7,626 "Uniterlying, security price."

#Opening index 1598.6; 10 am 1600.2; 11 am 1598.0; Noon 1589.0; 1 pm 1584.7; 2 pm 1582.0; 3 pm 1578.7; 3.30 pm 1575.5; 4 pm 1576.9

2.97 18 Pref

? Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday Issues. A new list of constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London EC4P 4BY, price 15p, by post 28p.

Index Day's Day's No. Change High 1575.7 —18.6 2600.2

usi adij. today

ad adj. 1986 to date

4.58

5.67

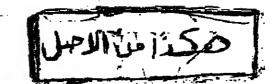
6.87

121

1.14

4.76

16 1986



### WORLD STOCK MARKETS

**CANADA** 

Controlled 10   Fig.	AUSTRIA			GERMANY		NORWAY		( AUSTRALIA	(contin	ged)	I JAPAN (cont	inged)	
Commercial Section   1,500	May 15	Price		May 15	Princi di ac	May 15	Price + o	· {	Price		1	Price	+_er
Control   Cont	redit statt pp.	2 750			Dm, -	Sergens Bank	151 +1				MNI	571	
September   1960   19	Decupies	3,450		Allianz Vera	328 —8 0,480 —55	Christians Bk	155 -1	기 Hardio @emgal	. 3.28	-0.12	Mitaul Bank	.1.020	" a" "
SEGURA/LIDGE-CURG  SEGURA/LIDGE-	eugerner Ferdermer	15,500	-500	Bayer	. 275,79,3	Den Norsk Gredit	1125	HeraldWy Time	8.3	-D.4	Milaul Estate	., 1,600	-30
Section   Price   Pr				Bayern Hypo	569 : ~4	Kosmos	139   — 1	Jimberlana F.P.	. 020		Mitsukoshi	. yu3	+4
Second Color   196   1	eltscher Mag	11,000	-80	BHF Bank	510 _6	Norcem	27 - 2 225,0xc; +0	Kidston Gold	.∫ 5,6	ſ	Nikko Sec	975	-10 +3
May 10   Fig.   +	er en man			Brown Boveri	- 655 - 18 315  8	1 moley winds		MIM.	! B,13	~0.M	Niepon Elect	1.470	- 4 30 - 20
Property				Commerzbank	318 — 5.5 - 345 — 18.2	·	; 200   -0,	"   Mayno Nickiese. "   Hat. Aust.Sank.	5.84	-0.58	Hippon Gakki	1.450	, <u>-9</u> -40
Section   1,000   100		Price	+ or	I varmier Benz	. 1.325 20.6	t		Nicholas Kiwi	3.55	-0.20	I Ni Doon Kekan.	. 1.55	-10
Section   Color   Co	.B.L	ē,100		1		May 15		Noranda P.(P/pd	0.60	· +0.82	Niboon Seike	590	+10
Section   1,000   1,				I Dautscha Ganti	700 e 11 e			l Oakbridge	. 0,75		Hippon Steel	164	+ 40
Authoritists   1,500   -0.0	ment OSR	13,100 4,050		CHU PROTEI PANK	435 ; -5	Seo Silbao		· Pencontinental.	1.72	-0.05	Hippon Suman.	405	-9 -5
Department	ockenii	150 11,975	+150	Hochtier	- 21310	Bco Esterior	470	Poseidon	9.75		Nissan Meter	545	
## HORSE   1,100   1,0	ectrobal	4,500	-40 -525	noecms.	274xr W	Bco Poeular Bco Santander	1,100	''   Reckitt &Colmar	4.5		Nomure	1,940	-2Ò
## 14668	B Inno BM	7,250 7,250	+40	Horten	. 580 5 198 ; + 2	i Dragados	1,520	Santos	5,60		Drede Coment.	400	-1
## 14668	enerale Bank	5,446 6,460	-40	Karetadt	. 335 :	Hidrola	137.5	"Thos. Natwide	, D.3U	-0,28	Orien1 Leasing	3.500	- 10 - 30
## 1965   1.00	poken	7,500	+60		. 430 :14	Petrolé0a,	381 i	Vancas	2 10	-0.85	) Ricoh	910	- 5   -10
Section   1,000   1,	redictbank	3,865 15,800	-55 -100	Kloeckner	90 -3.2 806 1-18			Western Mining, Westpac Bank	3.12 0.39	-0,14	Sanwa Bank.	1,250	-20
May 15	in Hidge) stroffna	11,150 7,540	-100	Lurinansa	232 ;	SWEDEN		Woolworths	3,18	_0 m	Sapporo	975	10
Section   10, 00, 00, 00, 00, 00, 00, 00, 00, 00,	yzie Belge	22,650 3,205	-50	Manneamann	215 10	May 15	Price + or	Wermald Intl	4.55	-0,05	Seven Eleven	7,576	- 10
Seminary   Company   Com		9-400	5D I	Meteligosell	545 5,040 - 30	l	Kronor	}			6กะกระน Conatn. รก)อกอสเ	1.090	-14 -50
Commons						Affe-Lavel B	387 -5				Shlasido	1,690	-10 -1
Control	agon Lite	7,180	-20 +40	Proussag	207 -1 250 -5	Astro (Free January	575		H.K.		Sony	3,520 1 B10	-10 -20
May 15   Price   + or   Price   +				Rosenthal	. 360	Cardo (Free!	303				Steme Chem.	354	+4
April	ENMARK		1	Siemena	618.6 -10.5 151.1 -3.9	i Electroiux B	304 : +3	Cheung Kong	20.6	-0,4			- 20
Verzin viet   311   1   1   1   1   1   1   1   1		Price	TOI			(Estate	1 040 1 48	LEVATOR		-0.03	Talsel Core	470	-2 +5
## According to the control of the c				Verein-West	170 -1 513	Phormacia	025	Henderson Land	2.05	-0,10	i Teive Kebe Bk	680	-15
TTALY	itica Skand	650	······	Volkswagen	558 -12	Sandvik	B75 + 20	HX Electric	8.00	-0.10	1TDK	4.05U	-30 -2
Price   Free   September   S	BUKKerteb.	385		ITALY		i SKF 🟎	i 04a!+B	HK Land	B.25	-0.18	Ton Nenrye	1,750	- 30 + 5
France Sarrigo 1, 170 - 10  Rey 15	Danaka Lure 11	Sin			Price dor		100	KK Telephone	11.1		Tokio Marina Tokyo Elect. Pwi	1,190	-10
Fig.   Sign.   Section	renede Brygg. 1	170	+10		Lira —	Velvo B (Free!	410 +7	Inini City	1 0.97		TOKYO GOS	.; 306	+3
Amage   Price   Pric		015 (	-2	Sanca Com'le ,	744 +0			New World Dev	6.15		I Toggan Print	·1_680	20
Amage   Price   Pric	rke Bank	600	-5	Centrale,	4,110 80	SWITZERLAND	•	Shell Elect	12.5	-0.3	PTOShiba Elact .	411	-5 -70
## Price   16   16   16   17   17   18   18   18   18   18   18		075	급	Credito Italiano	4.140 -471	May 15		TV-B	13.0 5.05	-0,3	I URE INTO	. 274	+4
ANCE    Second	IIGEN (F.L.) Q(	305		General Assicur	147,500 + 1900 79,850 + 1050	Adla Inti		_   Windsor Inds	} O,04		Victor	3,130 722	-18
AMCE    1,0,10 - 780	perfos	920   287	±16	Montedison	1,290 —6 4,533 —32	Alusuisse	720 3,540 60				i Yemanooni	:5,260	-2 -70
May 15				Olivetti	18,010 - 790 8,750 - 50	Brown Boveri	1,900 -10 3,600 -76		ł I	ı İ	Yamazaki Yasude Fire	1,330 536	_1B"
Part   19   19   19   19   19   19   19   1	ANCE		- 1	Fire(i) Spa Saipem	5 480 +70 5 850 +99	de. Part Corts). Credit Suisse	2,550; -10 5,760	May 15	Yen		SINGAPORE		
Part	May 15	rice	+ 00	Snia BPD Toro Assio,	7,205 -185 60,900 -1858	PHICKOF IDEOL	1,070 -ID	Ajinomato	1,560			0000	ــــــــــــــــــــــــــــــــــــــ
Core   Sept   1-19   May 15   Price   + or   Fis   Sept   1-19   Sept		Fra.	=			Holf-Roche Picts Helf-Roche 1/10,	115,000 +250 11,400 -120	Alps Electric	1,990	+40	May 10	3	+ 01
Liquida	prunt 7%, 1878;7.	590		NETHERLAND	s i	Jacobe Suchard.	7.875 + 125	Asahi Glass	1,170	.,	Boustnad Hidgs .	0.87	-0.01 -0.01
1.17   1.24   1.50   1.17	nor di	MAC 4 "	-1.9]	May 15	Price + or	Landis & Gyr	1.960 -10 8,025 -12	Bridgestone	707	-11	D85	5 35	+0.05
1.17   1.24   1.50   1.17	grain	672	-8 1		<u> </u>	Oer-Buehrla	1,980  +10	Canen	1,060	+10	How Par. Bros	2.04	-0.02
Bancairs   1,586   +16	Gervais 3	245   815	+50 ]	AEGON	101.5 +0.6	Sandoz IBr)	1,015 +15	Chugal Pharm	1,260	+ 50	Keppel Shipverd		+ 0,04
Bancaire   1,586   +18   AMEV   97,   +0.5     97	Alcatel2,	,630 l	-5 1	MG20		SIKA	4.000.	Dia-lehi Kan, B	1,510	+ 103	Maley Utd. Int	9,18	-0.08 0.81
Section Cest.   264   58   584   585   585   5	6 MedHern	559		MEV		Surveillance A	7.0001 + 60	Dai Nippon Ptg	1,900	-50:	Mulli Purpose	0.33	+ 0.05
Control   Cont	THEO 4	466 /	+7.8	redero Cert	204 +5	Swiss Roinsco	8,600 -300	Daiwe Sec	1,460	-10 °	Public Bank	0.85	+ 0.06
Condition   Cond	ty	320	+ 100	Suchrmann Tet.	157-5 +4.5	Swiss Volksbk Union Bank	2,640 +30 5,660 +50	Fenucanian "	7,000		Sime Darby	1.25	+0.03
Heineken   1850   185	ox (Cie Gen)[1,	608	+80	ordisons Pet m.	183.3 +1.3	Winterthur	6.300: -128	Puji Film	0,290 (	-20 I	Straits Trading	5.25 2.05	+0.65
Heincken   18500   1	Adultaine2	906	+105		100   +12		-	Dudlesse	TITO	+70	Tat Lee Bk	2.09	+ 0,81
Solid Presize   1865   18				MEE-CATOGRACIOS	256	AUSTRALIA		Furukawa Elect. Green Cross	396	-4		_	0,51
Color   Colo	arga Coppes 1,	585	+ 55	loogovens	105.9 +1.6			Helwa Real Est	961	-5 +2		Price	+ or
1   1   1   1   1   2   2   2   2   2	rand	960	-25	nt-Mueller	73 +8.8			Hitachi Credit	1,430	-10			
Commerce (Van)   St.   -0.5	ra S.A. amm 2,	639	4.59	NP	138.3 +4.3	d claide Steams 1	2.8 , -0.8	indi. Bk. Japan	202	=- 1	AFRO	11 50	-0,18 +0,25
Commerce (Van)   St.   -0.5	( ICio)	580				ANZ Group	5.96 -0,14	tob (C)	343	-5	Allied Tech Anglo Am. Coal	69.6 42.25	+1.5
Commerce   Carpeng   Car	d Fee	95 -	1.1   N	ledfloyd	166,5 +1	Lehton	1.67 +0.08	Ho-Yakada	660	+140	Angle Am, Corp., Angle Am. Gold.,	230	- 0,10
1,740   130   Rorento   10,11   10,12   10,13   10,14   10,15   10,14   10,15   10,14   10,15   10,14   10,15   10,14   10,15   10,14   10,15   10,14   10,15   10,14   10,15   10,14   10,15   10,14   10,15   10,14   10,15   10,1	ned Ricard 1,	251	-8 0	mmeren (Agu)	31.8 -0.5	Aust, Guarantee.	0.30   <del></del> 0.16	Kajimi	766	+70	Burlow Dand	17.0	+0.25 -0.1
1,740   130   Rorento   50,1   0,1   8rambles inda   6.50   0.95   0.07   12   12   12   13   13   14   14   15   14   14   15   15   15	roine Fra 3	84	+11,5	hillps	55 -5,5	Sell Group	8.50   -0.40 4.80   -0.65	Kap Soap	159	_10 _1	CNA dallo	70.25 2.25	-1.0 -0.85
1,740   150   Rorento   191.8   191.	temps (Au.)	16	9 R	Opeco manana	188.61	toral	4,46 -0.21	Kobe Steel	178 I	+10	De Beers	4.9	
Coles Moyer 6.08 + 0.18 MEL	outs minimum 1,7	40	64 R	orento	83 +0.1 E	rambles (pds)	5.50 -0.88	Konlehlmid	700	+2	Orlefontein	50	3
Coles Moyer 6.08 +0.18 MeL	moy	89 70	- 20 I Po	num Dertell	101 B. 406 IB	tridge Oil, warmen (	0.95   -0.07	Kupota	360	+8	Gold Fields S.A	34	-0.05
Coles Moyer 6.08 + 0.18 MEL	Roselgno)1,4 moc (Elect3,8	30	DO A	PALL COMPAGNOOSIA STATE	295 +8 8 295,6 +7.0	urns Philip	5.80   -0.50 6.70   +0.60	Nyocore	470		Malcof	9.35	+ 0.05
Coles Moyer 6.08 +0.18 Mel	meon GSF) 1,4	88	20 W	CESSITED	251.5 +1.5	BR	5,200,06	Marul Motors	470	-30 I	OK Bazaars	14,50	-0.26
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OVER-THE-COUNTER	Nasdag national market, 2.30pm prices

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CANADA

RISES		Wiggins	64	+10
Amstrad	532 +25	Willis Faber	462	+10
Beatson Clark	228 + 23	FALLS		
Sestwood	550 + 30	Conv 9%% '05	£104	- 1/8
Bromsgrove Ind	102 + 7	Aberdeen Const	252	- 8
Davy Corp	100 + 8	Bank of Ireland	460	-45
Dewey Warren	121 + 10	BP	553	-10
Electronic Mach	84 + 12	Britoil	176	- 9
Gee (Cecil)	120 + 20	Foster (John)	88	-12
shell Trans	773 + 8	IC1	895	-22
Somportex	210 +20	NatWest Bank	750	-20
Suobeam Wolsey	116 + 10	Rowntree Mack	492	- 8
Textured Jersey	174 + 8	Unigate	260	- 7

	May.	May 14	May 15	May 12	High	86 Low
AUSTRALIA Ali Ord. (1/1/80) Metale & Minis. (1/1/80)	1 184,4 483,0	1222,4 491,7	1201.6 495,1		1247.0 17/51 602,0 (24/3)	1810,6 (2r1 485,1 (1310
AUSTRIA Credit BK Aktien(2:1/62)	128,76	124.40	127,16	123,81	150,89 (23/4)	110,12 (5/8)
BELGIAN Brussels SE (1/1/80)	5885,05	5642.03	5671,89	3699,60	5780, 16 (2414)	2766.61 [15:1
DENMARK Copenhagen SE (5/1/83)	lu)	232.04	229,57	238,44	250,70 (18/4)	214,37 (21/1
FRANCE CAC General (31/12/82) Ing Tendance (31/12/85)		408.1 152,8	407.1 151.9	410.8 154.5	411.5 (16/6) 154.6 (12/5)	267.6 (2/1) 701.5 (2/1)
GERMAHY FAZ Aktien (51/12/58) Commerzbank (1) 12/55)	856,58 1986,2	664,95 2018,1	854,21 1981.8	862,19 1965,2	755,88   17/4) 2270,8 (17/4)	816.34 (27/5 1863,6 (27/5
HONG KONG Hang Song Bank(\$1/7/64)	1784.17	1620,68	1895.75	1882,50	1865.BS (7/6)	1659,84 (197
ITALY Banca Comm Ital, (1972)	641,84	841.92	82E,08	819.47	841,92 (14/5)	454,67 (24)
JAPAN** Nikkel (18/5/48) Tokyo SE New (4/1/68)	15924,7 1265,43	15946,7 1267,88		19106.2 1274.27	16164.28 (6/5) 1260,85 (8/5)	12891,5 <sub>1</sub> 21/1 1825,85 (21/
HETHERLANDS ANP.CBS General (1970) ANP.CBS Indust (1870)	263.0 251.6	257.8 248.6	268,6 246,0	260,7 248,1	275,8 (17/4) 258,7 (17/4)	248.4 (3/8) 284.0 (3/0)
NORWAY Oalo SE (4/1/83)	88.74	840 <u>.</u> 87	842,82	852.26	402,81   16111	555.95 (8/5
SINGAPORE Straits Times (50/12/85)	598,22	698,98	597,68	590,42	644,69 (8/1)	565.34 (28/4
SOUTH AFRICA 18E Gold (28/5/78) 18E Indust (28/9/78)	= ;	1171.7 1178,2	1173,9 . 1160,0	1179.6 1145,7	1507,8 (27/1) 1208,1 (20/6)	1189,1 (21/4 1089,0 (2/1)
SPAIN Madrid SE (50:12/85)	Ie)	192,75	181,29	194.77	194,77 (12/5)	100,83 (8/1)
SWEDEH Jacobson & P (61/12/66)	2328,46	25 15.69	2232.05	2245.94	2572,85 (22:4)	1729,57 (29/1
SWITZERLANO Swiss BankOpn(01/12/68	674.2	078.5	570,4	584.8	625,5 (8/T)	654.7 (28/2
WORLD M.S. Capital Intl.  1/1/70	_	518.4	818.8	521.9	822,2 (21/4)	243,8 (25/1

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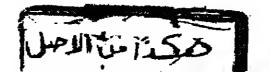
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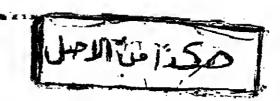
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### NEW YORK STOCK EXCHANGE COMPOSITE PRICES





### NYSE COMPOSITE PRICES

### **AMEX COMPOSITE PRICES**

Prices at 3pm, May 15

	Dr. Ch.
-12 Month P/ Sts Close Prev. 12 Month P/ Sts Close Prev. 12 Month P/ Sts Close Prev. 12 Month P/ Sts Close Prev.	Ny Sie Ny Sie Ny State David Berger Charge Stack Dev E 1005 High Low Close Charge Stack Dev E 10
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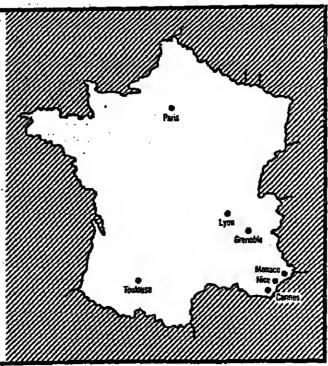
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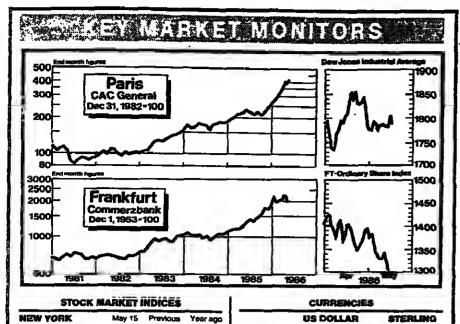
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### FINANCIAL TIMES WORLD STOCK MARKETS



	,		
DJ Industrials	1,787.70*	1,808.28	1,273.52
DJ Transport	779.93°	786.43	811.16
DJ Utilities	182.18*	182.70	159.21
S&P Composit	e <u>23</u> 6.07°	237.54	184.54
LONDON			
FT Ord	1.302.6	1.320 0	1.012.5
FT-SE 100	1,575.7	1.594.3	1,342.4
FT-A All-share	779.7S	786.41	640.92
FT-A 500	854.58	862.33	702.68
FT Gold mines	244.3	<b>251.0</b>	488 8
FT-A Long gill	9.08	E0.9	10.76
TOKYO			
Nikkei	15.924.69	15,943.75	12.358.00
Tokyo \$E	1,255,43	1,257.80	967,87
AUSTRALIA			
All Ord.	1,194.4	1,222.4	895.2
Metals & Mins.	493.0	491.7	575.3
AUSTRIA			
Credit Aktien	123,73	124.40	93.81
BELGIUM			
Belgian SE	3,635 09	3.642.03	2,237,72
CANADA			
Toronto			
Metals & Minis	2.058.0 *	2.062.2	1.998.0
Composite	3,075.3	3.077.3	2,672.2
Montreal			
Portfolio	1,560.38	1,507.49	131.12
DENZIARK			
SE	n/a	232.04	187,18

CANADA			
Toronto Metals & Mints Composite	2,058.0 · 3,075.3 ·	2,062.2 3,077.3	1,996.0 2,672.2
<b>Montreal</b> Portfolio	1,560.38*	1,507.49	131.12
DENCIARK Se	n/a	232.04	187,18
FRANCE			
CAC Gen	411.3	408.1	221,8
Ind. Tendance		152.90	79,68
WEST GERMAN	Y		
FAZ-Aktien	655.53	664 95	431.89
Commerzbank	1,986.2	2,019.1	1,262.9
HONG KONG			
Hang Seng	1,794.17	1,820.68	1,612.61
ITALY			
Banca Comm.	841.84	841,92	314.24
NETHERLANDS			
ANP-CBS Gen	263.3	257.9	208,1
ANP-CBS Ind	251.8	246.5	171.6
NOEWAY			
Oslo SE	339.74	340.97	332.37
SINGAPORE			
Straits Times	598.22	598.98	814.42
SOUTH AFRICA			
JSE Golds	-	1,171.7	1,086.9
JSE Industrials		1,176.2	933.0
SPAIN		400 25	00 -4
Madrid SE	closed	192.75	82.40
SWEDEN J&P	2,323.48	2,313.69	1,384.18
SWITZERLANO Swiss Bank Ind	574.2	576.S	429.8
WORLD MS Capital Int'l	May 14 318.4	Prev 319.9	Year ego 207.6

COMMODITIES

GOLD (per ounce)

\* Latest available houre

Silver (spot fixing)

Copper (cash)

Oil [Brant blend]

London

Zürich

Paris (fixing)

Luxembourg

New York (June)

J.JQ	7 00.4	011.10	, -	_			(.535	1.3333
2.18*	182.70	159.21	DM	2.1985	2	.185	3.375	3,365
6.07*	237.5							
0.07		184.54	Yen	163.6		3.35	251.25	251.5
			FFr	7.01	S.5	9675	10.78	10.7275
			SFr	1.828	11	317S	2.805	2.7975
02.6	1.320 0	1.012.5						
75.7	1.594.3	1.342.4	Guilder	2.4785		2.45	3.805	3.7875
			Lira	1,507.0	1.4	97.5	2,313.0	2,305.5
79.7S			BFr				68.75	
54.58	862.33	702.68		44.8		4.75		68.75
44.3	251.0	488 8	CS	1.3755	1.3	3775	2.1125	2,1181
9.08	9.03	10.76						
					ERES	TRAT	ES	
			Euro-cu	- colo	_		May 15	Prev
24 60	45 049 75	12.358.00					10.04	
			(3-month		<b>818</b> )			
55,43	1,257.80	967,87	£				10%	10%
			5	Fr			4%	474
			i n	AN .			4%	4%
	4			Fr			71/4	7%
94.4	1,222.4	895.2				2.2	/714	77
493.0	491.7	575.3	FT Londo	on Inter	bank	fixing		
		0.0.0	lottered r	ate)				
			1 3	-month U	SS		7	61%
				month U			7	6 44
23.73	124,40	93.81			34			
			US Fed F				64*	61/4
			US3-mo	nth CDs			6.65*	8.55
			US3-mo	oth T-bil	le.		6.165*	6.07
5 09	3.642.03	2.237.72			-			
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.a •	3.077.3	2,672.2			Price	Ylek	1 Price	Yield
			05:	00				
			8% 19		99%		99'%	7.12
.38	1,507,49	131.12	7% 19	93	972%2	7.81	991/2	7,48
-								
			7% 19	50	97	7.81	987	7.65
210	232.04	19740	7% 20	16	97	7.50	97192	7.43
n/a	232.04	187.18			-			
			Source: F	tarris Tru	ıst Sa	vings B	ank	
						-		
1.3	408.1	221,8						
			Treasury	Inday				
4.20	152.90	79.68		HILLOW	-			
						ay 15°		
			Maturity	Flett	TTE.	Day's	Yield	Ouy's
5.53	CC4 OF	424.00	(years)	inc	leex c	hange		change
5.53	664 95	431.89				_		
6.2	2,019.1	1,262,9	1-30	149.	43 •	-0.39	7.70	+0.07
	_,	.,	1-10	142	26	-0.29	7.54	+0.08
			1 3	134.	54 •	-0.16	7.20	+0.09
4.17	1.820.68	1,612,61	3-5	143.	94 .	-0.43	7.75	+0.07
	.,	1,-12101	15-30				_	
				175.		-0.79	8.19	+0.02
			Source: M	territ L ve	rcft.			
11.84	841,92	314.24		<b>-</b> y.				
			Corporat	•	May	15"	Pre	v
					Price	Yield	Price	Yleid
3.3	257.9	208.1	4707		11100	11010		
1.8	246.5	171.6	T & TA		1			
			3% July	1990	89×	6.88	89%	6.88
						•.•-	••••	0.00
			SCBT Sou					
9.74	340.97	332.37	10% Jan 1	993	106%	7.73	106%	7.81
	- 10.01	-						
_			Phibro-Sal					
			8 April	1996	99	8.14	98%	8.25
8.22	598.98	814,42				• • • • • • • • • • • • • • • • • • • •		
		0.7746	TRW					
			84 Marc	h 1996	102	8.35	102	8,35
						3.00		
	1.171.7	1.086.9	Arco					
	1.176.2	933.0	9% March	2016	1061/2	9.22	106%	9.2
_	1,170-4	933.0	0					
			General M					
			8% April 2	018	94	8.89	93%	8.72
sed	192.75	82.40						
			Citicorp					
			9% March	2016	99	9.47	88%	9.52
3.48	2,313.69	1,384.18	Source: Sak	omen Brot	ners			
				THE A DE			-	
				FINAN	JUL	FUIU	res	
4.2	576.S	429.8						
	<b>U</b> . U.L		CHICAGO	, ,	.etest	High	Low	Prov
- 44			US Treasi	TV Bon	de (C	BTI		
ay 14	Prev	Year ego			,	,		
8.4	319.9	207.6	8% 32nds c	OF 100%				
0	0.0.5	201.0	June	9	6-12	98_04	96-06	97_27
			US Trees				40	
TICK	IES					•,		
_			\$1m points	or 100%	9			
	May 15	Prev	June		3.86	93 94	93.83	93.95
	28 35p	330.65p						
			Cortificat			(4年紀)		
		£933.25	\$1m points	of 100%				
£1.9	2 00.88	1,977.50	June		п/а	n/a	n/a	93.39
	14.20	514.10			174	IV#	IV#	33.38
9	1420	314.10	LONDON					
_		1	Three-mo	with F	adall.			
er ou	ncel							
_	_		\$1m points	of 100%				
	Aay 15	Prov	June			93 10	93.02	93 17
	342.25	\$342.75				20.10	-V-VE	JU. 17
		5342.30	20-year N					
			£50,000 32	nds of 10	10%			
6		\$343 <i>.</i> 22 ]				25 00	124-24 1	25 25
	342.59							
_			June	124	-20	LU LU		25-20
S	342.20	\$343.10 \$343.10	June	12			124 24 1	222

WALL STREET

### **Profit-takers** move in on blue chips

BLUE CHIPS swiftly went into reverse gear on Wall Street yesterday when profit-takers moved in on the sharp gains registered in the final hour of Wednesday's trading, writes Terry Byland in New York.

At 3pm the Dow Jones industrial aver-

age was nown 20.95 at 1,787.33.

As the Dow 1,800 level slipped from the market's grasp once more, traders expressed some disappointment. Wednesday's gain was restricted to the few blue-chip issues affected hy the stock futures market.

However, yesterday's economic news was good - the gain of 0.2 per cent in April industrial production statistics was unexpected - and there was no rush to sell blue chips.

May 15 Previous

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Today is expiry day in the stock futures and share option markets, an experience which has proved unsettling in recent months. Traders are expected to delay major investment decisions until the futures and options settlement is completed.

1BM was sold down from the opening, losing \$1% to \$146%. Among other stocks to react from Wednesday's gains were Merck, down \$% at \$186%, Digital Equipment, down \$1/2 at \$871/2, and General Motors, down 5% at \$76%.

The rest of the technology sector took its cue from IBM, Weak features included Texas Instruments, down \$1% at \$135, and Cray Research, \$1% lower at \$80%. Among the personal computer makers, Apple fell \$1% to \$35% in a sharp selling bout.

Computer stocks were unsettled by the prospect of the Sperry/Burroughs merger which threatens to introduce a new and substantial competitor.

Sperry held steady at \$72%. It said it would shortly commence its \$80-a-share equity huyback although the plan only becomes effective if Burroughs obtains 51 per cent acceptances from Sperry stockholders for its \$80-a-share offer.

The arhitrageurs, who hold substan-tial stakes in Sperry, expect the board's plan to force a slightly higher hid out of Burroughs. At \$59% Burroughs eased

Oils continued to move narrowly as crude oil futures held well above the \$15a-barrel level for June delivery. Exxon shed \$\% to \$58\%, and Atlantic Richfield held steady at \$55%.

Airline stocks gave up a little of their recent gains. United at \$58 dipped \$% and American \$% to \$54%. Pan Am at \$6% eased \$%.

Indications that foreign exchange markets are turning more optimistic on the US dollar sent Pharmaceutical issues lower. Bristol-Myers shed \$\% to \$76\% and Ahbott Laboratories lost \$\% to \$85%. Mylan Laboratories gained \$1% to \$24% after receiving FDA approval for a new drug. Chemicals, which also suffer from a

stronger dollar making their product harder to sell overseas, were mixed. Monsanto added \$1 to \$64%, but Dow

eased \$% to \$54%. In the new issue markets, the whenissued stock of Henley Group, a collection of 35 companies spun off by Allied-Signal, traded up to \$23.875 after the planned public offering was increased to \$1.59bn, the largest US offer on record.

In the consumer stocks, Coca-Cola plummeted \$3% to \$108% in moderate selling after a bearish review in the investment press - the Atlanta soft drinks manufacturer has been struggling to regain Wall Street esteem in the wake of the troubled introduction of New Coke and the reintroduction of Classic Coke. There was some activity in Quaker Oats, and old speculative favourite, but the stock settled off the top at \$70%, a

J. C. Penney at \$78% added a further

\$2 in response to the profits statement. But most other department store issues weakened Federated Department losing S% to S78%.

Bonds turned easier in response to the April industrial production figures but remained preoccupied with digesting the weight of recently issued Treasury paper. Both factors reduce the chances of an easing in Federal Reserve policies, and short-term rates turned smartly higher at midsession despite a further \$1.5hn in customer repurchase arrangements hy the Fed.

TOKYO

### Uncertainty over yen lingers

INVESTORS in Tokyo yesterday remained uncertain about the outlook for the yen, and share prices slipped for the fourth straight session, writes Shigeo Nishiwaki of Jiji Press.

Some chemicals and hiotechnology-related issues performed well, but many domestic demand-oriented shares and hlue chips were neglected. Some shares with hidden incentives plummeted.

The Nikkei average eased 19.06 to 15,924.69. It fluctuated narrowly, moving up 29 points at one stage and down 20 points at another. Volume was light at 484m shares, compared with Wednesday's 497m. Losers outstripped gainers by 458 to 383, with 144 issues unchanged.

Many investors were ready to huy domestic demand issues if the yen rose against the US dollar and hlue chips if the yen fell. But the yen moved in so narrow a range of Y162 to Y164 to the dollar that they could not decide what stocks to huy. Their confusion was fur-ther intensified by a succession of sug-gestive statements by high-ranking US officials.

Because of the uncertain outlook for the yen, investors sought shares that had long been out of favour. They bought chemicals in the morning and biotechnology-related drugs in the afternoon. An analyst said these share purchases were intended to earn short-term gains, adding that the turnover on these issues was quick.

Among the chemicals favoured, Mitsui Petrochemical and Mitsubishi Chemical benefited from prospects of higher earnings due to the strong yen and cheaper oil. Attracting many institutional huyers, they gained Y45 to Y735 and

Y9 to Y899, respectively.

Prominent among the hiotechnologyrelated issues was Toyo Shoda which drew strength from its development of mass production techniques for a human growth hormone. Topping the list of 10 most active stocks with 23.14 shares traded, the stock rose Y19 to

Y427.
Leading domestic demand-oriented stocks moved narrowly. Among hidden-asset issues Mitsuhishi Estate gained Y20 to Y1,800, and Mitsubishi Warehouse and Transportation lost Y20 to Y1,070. Tokyo Electric Power firmed Y10 to Y3,600 in thin trading. But Tokyo Hotel Chain advanced Y30 to Y1,020.

Many blue chips were out of favour although Hitachi added Y2 to Y890 and Oki Electric gained Y13 to Y696. Bond prices fell sharply in response to

a plunge in bond futures prices, with the yield on the beliwether 8.2 per cent government bond due in July 1995 soaring to 4.815 per cent from Wednesday's 4.775 per cent.

### **SOUTH AFRICA**

THE LACK of any clear direction in Johanneshurg left prices steady to easier

on a dull day of trading.

Among gold issues Vaal Reefs gave up
R4 to R213 and Kloof 50 cents to R22. Randfontein, one of the few hright spots,

added R5.50 to R247. Platinum issue Rustenburg slipped 40 cents to R32.10, and diamond share De Beers was unchanged at R24.60.

EUROPE.

### Enthusiasm partially diluted

THE VIGOUR displayed on the Euro pean bourses on Wednesday was partially diluted yesterday as some centres experienced position adjustments by pro-fessional dealers ahead of the Whitsun holiday on Monday. Interest-rate movements, actual and hoped-for, also fea-

Frankfurt gave up ground early in the

Car makers were once again caught in the firing line, with Daimler DM 28.50 lower at DM 1,325 despite good first-quarter tractor sales. BMW took a proportionally more severe fall of DM 18 to DM 555 on modest four-month figures,

Among the leading banks Deutsche showed the way with its DM 13.50 decline to DM 798.50 while Commerzbank lost DM 8.50 to DM 319. The sector was depressed by Bundesbank assertions that interest rates are unlikely to move

dermined by the Bundesbank remarks and the lower overnight close of US credit markets. Longs fluctuated widely with gains of up to 45 basis points and falls of 60 basis points. The central bank sold DM 12.9m of paper after Wednes-day's hage DM 147.5m sales. Brussels turned mixed amid uncer-

Utilities, ever sensitive to political de-

50 to BFr 8,250. Foreign support was noticeable for travel and tourism group Wagons-Lits, which picked up BFr 40 to BFr 8,020.

surers Zurich Insurance lost SFr 75 to

1.980 on results. Paris was boosted by the relaxation of

foreign exchange controls and the recent interest-rate cuts.

747 with its FFr 20 rise.
Isolated gains were achieved in Milan on technical book-squaring. Fiat added a further L150 to L14,900 after an early L15,000. Among the insurers Generali gained L1,600 to L147,500 while in banks Mediobanca retreated L4,500 to L283,000.

Stockholm finished higher after an easier opening. Volvo featured strongly, buoyed by heavy interest for the transport group in the options market, and ended SKr 7 ahead at SKr 410. Firstquarter results are due next week.

Elsewhere, Saab-Scania firmed SKr 40 to SKr 890, and Electrolux picked up SKr 3 to SKr 304.

session, but the pace of the decline quickened as some investors began to fear for the stability of the market, ac-cording to brokers. The midsession cal-culation of the Commerzbank index showed a 32.9 fall to 1,986.2.

and VW lost DM 12 to DM 558.

Degussa, the chemicals and precious metals refining group, led the chemical sector lower with its DM 13 decline to DM 450 while Schering finished DM 11.50 cheaper at DM 537. Bayer fell DM 8.30 to DM 290 despite record profits for its photographic unit Agfa-Gevaert.

lower as long as the D-Mark remains weak in the EMS.

Sentiment in the bond market was un-

tainty over the Government's ability to cut the country's large budget deficit. Today's scheduled one-day strike by public-sector employees also unsettled sentiment. The Belgian Stock Exchange index lost 6.94 to 3,635.09. Bellwether Petrofina retreated BFr 10

to BFr 7,945 while Groupe Bruxelles Lambert held unchanged at BFr 3,430.

velopments, lost ground, and chemicals were soon to follow. Ebes surrendered BFr 40 to BFr 4,500, and Solvay fell BFr

Zurich firmed as hanks steadied. Union Bank, SFr 60 higher at SFr 5,660, was one of the few movers while in in-

Adia was buoyed by foreign demand and advanced SFr 275 to SFr 6,350 while Oerlikon-Bührle firmed SFr 10 to SFr

Radiotechnique was among the leaders with its FFr 64 gain to FFr 972, while Esso scored a 5 per cent gain to FFr 545. Schneider hit a high for the year of FFr

SKr 225 despite slightly higher results.

Amsterdam was budyed by better then expected results from Royal Dusch. The group rose 60 cents to \$1 191.30. Among other internationals Akzo gained F1 1.60 to F1 159.10 and brief hopes of a settlement in its fibres dis-pute with Du Pont. Unilever closed FI 3.50 down at FI 423, ex its FI 16.50 dividend Madrid was closed for a public holi-

Pharmacia remained unchanged at

### LONDON

THE MARKET continued to digest Nat-West's cash call of Wednesday, and prices wilted afresh

Quarterly figures from Shell, up 3p at 773p, and BP, 10p lower at 553p, failed to excite the market. The FT Ordinary share index, which

posted a gain of 3.9 by 10am, ended with a fall of 17.4 at 1,302.6 while the FF-SE 100 dipped 18.9 to 1,575.7.

100 dipped 18.9 to 1.575.7.

A small rally in gilts proved short-lived, and long-dated issues finished with a fall of around %.

Demand persisted for Chinese bonds on debt settlement hopes, with the 5 percent 1912 improving 6 more to 540.

Chief price changes, Page 39, Details, Page 38, Share information service, Pages 36–37.

### AUSTRALIA-

BEARISH COMMENTS from the Australian Treasurer over the economy, a drop in the local currency and renewed fears of a rise in domestic interest rates combined to weigh on trading in Sydney

yesterday.
Industrial issues led the decline while banks featured among the biggest losers

of the day.

BHP was active after Mr Robert Holmes à Court's increased bid on Wednesday but lost 22 cents to A\$8.08. Bell Resources, the takeover vehicle, fell 35 cents to A\$4.20 while Bell Group, the parent company, gave up 40 cents to

Westpac, which announced a lower than-expected rise in profits for the half year, drifted 14 cents lower to A\$5.96:

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### HONG KONG

YESTERDAY marked the first day of trading in Cathay Pacific shares, but despite increased activity prices in Hong

Kong fell sharply.

The Hang Seng index dropped 26.51 to 1,794.17, dipping below the 1.899 bearrier for the first time since April 23.

One in every five Cathay Pacific shares changed hands, and it closed at the state of the control of the contro

HK\$5.15, close to where it began trading. But the hectic activity distracted investors from issues in other sectors.

In properties Cheung Kong fell 40 cents to HK\$21.60, Hongkong and Kowloon Wharf 15 cents to HK\$7.00, Hong-

kong Land 10 cents to HK\$6.25 and Sun Hung Kai Properties 20 cents to

### SINGAPORE

DESPITE some profit-taking, Singapore remained steady to firm as blue chips enjoyed support from new investors who are using money from the Central Provident Fund to purchase shares.

Banks and industrials were popular. DBS gained 5 cents to \$\$5.35, OCBC the same amount to S\$6.40 but UOB gave up

4 cents to S\$3.28. Dah Yung, topping the busy list with 1.42m shares traded, added 21 cents to 42 cents. Also active, Keppel shipyards lost 5 cents to S\$1.04.

THERE was little reaction in Toronto to the decision hy most major banks to cut their prime rates. Advances only slightly outnumbered declines, and most sectors were little changed.

Bank of Montreal, the first bank to cut its prime rate, advanced C\$% to C\$33%. Toronto-Dominion was unchanged at C\$25%, Royal Bank slipped C\$1/4 to C\$32% and Bank of Nova Scotia lost C\$%

Montreal was also barely changed, Imasco gave up C\$% to C\$36.



Aztec West is Bristol's big business-success-story. This unique and spectacularly impressive landhalf a mile distant from the M4/M5 interchange.

scaped business park covers almost 125 acres, just Aztec West has potential for over 2 million square feet of offices, warehouse and manufacturing units in an

environment aimed at expansion of business opportun-

ities. All units are for lease or purchase with options on

neighbouring plots for future growth.

The Aztec West 200 development is the latest in this spectacular project. Phase 1 offers up to 22,310 sq ft net of office space with full double glazing, suspended ceilings and integrated lighting. There are individual central heating systems and parking space for 117 cars. Phase 2 is in the planning stage and will offer similar facilities for all types of business endeavours.

Aztec West has limitless potential and promise, whatever you're looking for - and however spectacular your company's growth.





AZTEC WEST WHERE YOU CAN SEE THE BEAUTY OF YOUR BUSINESS GROWING.





